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the teamworkers
Taylor Woodrow

ing NEWS SUMMARY

MP guilty on four charges
Guilty verdicts were returned against Mr. John Stonehouse MP on four charges of perjury, fraud, conspiracy and false statements.

French franc declines further
The French franc came under renewed pressure, closing at \$1.49675 (4.9210) to the dollar. Sterling lost 55 points to \$1.7890; its weighted depreciation widened to 38.6 (38.5) per cent. The dollar's improved to 1.77 (1.96) per cent.

Bombers strike in Belfast
Belfast was hit by a wave of bombs, regarded by security chiefs as the forerunner of Monday's fifth anniversary of the introduction of internment.

Police issue
Mr. Callaghan, the Prime Minister, said he regretted that Sir Robert Mark, Metropolitan Police Commissioner, had decided to retire next March, on his 60th birthday.

Howeto clash
White police, police and police clashed in a riot in Howeto, a township in Johannesburg, after a police raid.

hot at dawn
Another 17 people were shot at dawn in Sudan for their part in an attempted coup of July 2, ending the rebellion to 98,000 Sudanese.

ig Ben mute
ig Ben, 55, began talking time at 1.30 last night, after being out of action since 3.45 a.m. when he was shot.

auda speaks
Lord motor racing champion Sir John Surtees spoke for the first time since Sunday's accident in a West German grand prix.

riefly
American student Tina Bischoff, 17, was shot from Dover to New York in three hours three minutes, 20 minutes faster than a previous record.

PRICE CHANGES YESTERDAY

Commodity	Change
Wheat	+1
Barley	+1
Oats	+1
Rye	+1
Maize	+1
Soybeans	+1
Wheat	+1
Barley	+1
Oats	+1
Rye	+1
Maize	+1
Soybeans	+1

Two plants closed for checks after poison gas scare

BY RHYS DAVID
Chemical manufacturers in Germany and the U.K. have now moved to shut down processes which could lead to the dangerous TCDD poison, as concern mounts over the accident which contaminated a large area around Seveso in Italy three weeks ago.

Five years
The Coalite plant has been shut at the request of the executive which said it was investigating an electrical engineer last week to carry out an investigation.

Steady expansion of U.S. economy is forecast
BY REGINALD DALE
THE PARIS-based Organisation for Economic Co-operation and Development is guardedly optimistic about the prospects for a period of steady American economic expansion without a renewed outburst of inflation.

Lonrho chief threatened to 'get me,' alleges MP

BY JOHN HUNT
LEFT-WING Labour MPs yesterday mounted a ferocious onslaught in the Commons on the Lonrho group, which was recently the subject of Department of Trade Inspectors' report highly critical of certain directors.

Takeover of ports may be dropped

By John Wyles, Shipping Correspondent
FIRM INDICATIONS that the Government is considering abandoning its October, 1974, election manifesto commitment to nationalise the ports were given yesterday by Mr. John Gilbert, Minister for Transport.

U.K. advises caution on Rhodesia



Mr. Callaghan says goodbye to Dr. Kissinger, U.S. Secretary of State, after breakfast talks at 10, Downing Street.

BRITAIN and the U.S. differ on whether the time is ripe for a new Anglo-American initiative on Rhodesia, although they agree on the need to encourage a speedy negotiated transfer to majority rule in the territory.

Felixstowe
Opponents of Labour's manifesto proposals have always argued that nationalisation was irrelevant, because 80 per cent of Britain's overseas trade is already handled by ports which are either public trusts such as London, Manchester and Southampton.

Worries
The British view is that white Rhodesia has shown no sign of accepting the inevitability of majority rule and that until there is a significant crack in white morale publication of guarantee proposals could be counterproductive.

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GOLD FIELDS GROUP VOGELSTRUISBULT METAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
INTERIM REPORT 1976

The consolidated unaudited profit of the company and its wholly-owned subsidiary Struisbult Investments Limited for the six months ended 30 June 1976 is:

	6 Months ended 30 June 1976	6 Months ended 30 June 1975	Year ended 31 Dec 1975
Income from investments	753	691	1,510
Profit on sale of shares	—	—	24
Sundry revenue	38	43	80
	791	734	1,614
Less:			
Administration expenses	74	60	138
Amount written off investments	—	—	223
Profit before taxation	717	674	1,253
Transfer from deferred tax	—	—	2
Profit attributable to members	717	674	1,253
Earnings—per share (cents)	4.7	4.4	8.2
Dividends—per share (cents)	3.0	2.5	6.5
Amount absorbed (R000)	460	383	996

NOTES ON THE RESULTS

Each listed investment is written down when the market value is below the book value at the end of a financial year. No provision is made in the accounts for the interim period, but the depreciation at 30 June 1976 was R54,000 (1975—R22,000). The changes in the book values since 31 December 1975, arise from the offer by the unlisted Kilm Products Limited for the whole of the issued capital of The South West Africa Company, Limited, the shares of which are listed.

Particulars of listed investments	At 30 June 1976	At 30 June 1975	At 31 Dec 1975
Stock Exchange value	11,052	10,910	11,132
Book value	5,978	6,579	6,807
Excess in Stock Exchange value	5,074	4,331	4,325
Particulars of unlisted investments—book value	4,651	3,741	3,741

DECLARATION OF DIVIDEND

A dividend, No. 59 of 3.0 cents per share, has been declared in South African currency, payable to members registered at the close of business on 20 August 1976. Warrants will be posted on or about 20 September 1976. Standard Conditions relating to the payment of dividends are obtainable at the share transfer offices and the London Office of the company. Requests for payment of the dividend in South African currency by members on the United Kingdom Register must be received by the company on or before 20 August 1976 in accordance with the above-mentioned Conditions. The Register of Members will be closed from 21 to 27 August 1976, inclusive.

Registered and Head Office: On behalf of the board
Gold Fields Building,
75, Fox Street,
Johannesburg,
2001.
R. A. Hope
Chairman
B. R. van Rooyen
DIRECTORS
United Kingdom Registrar:
Lloyds Bank Limited,
Registrar's Department,
Goring-by-Sea, Worthing,
West Sussex BN12 6DA
5 August 1976

GOLD FIELDS GROUP NEW WITWATERSRAND GOLD EXPLORATION COMPANY, LIMITED

(Incorporated in the Republic of South Africa)
PRELIMINARY ANNOUNCEMENT OF RESULTS

The audited consolidated profit for the year ended 30 June, 1976, is as follows:

	Year ended 30 June 1976	Year ended 30 June 1975
Income from investments	2,554	2,994
Profit on realisation of investments	419	948
Profit on sale of mineral rights	3	1,197
Other income	89	60
	3,065	5,199
Deduct:		
Administration, prospecting and general expenses	312	313
Amount written off investments	585	110
Profit before taxation	2,158	4,776
Less:		
Taxation	47	787
Minority shareholders' interest	22	91
Profit attributable to members	2,089	3,898
Dividends declared	2,080	2,311
February 7.0c (7.0c)	809	809
August 11.0c (13.0c)	1,271	1,502
Profit retained	9	1,587
Earnings per share—cents	18.1	33.7
Times dividend covered	1.0	1.7
Net asset value per share—cents	255	375

These results are published in advance of the annual report which will be circulated to members in September, 1976. The lower gold price has had an adverse effect on the company's results as is evidenced by the lower dividend income. In line with the company's policy to write down each of its investments with a book value in excess of stock exchange value at balance sheet date to such stock exchange value an amount of R358,000 was written off investments at 30 June, 1976.

DECLARATION OF DIVIDEND

A dividend, No. 51 of 11.0 cents per share in respect of the year ended 30 June, 1976, has been declared in South African currency, payable to members registered at the close of business on 20 August, 1976. Warrants will be posted on or about 27 September, 1976. Standard Conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company. Requests for payment of the dividend in South African currency by members on the United Kingdom Register must be received by the company on or before 20 August, 1976, in accordance with the above-mentioned Conditions. The Register of Members will be closed from 21 to 27 August, 1976, inclusive.

LONDON OFFICE:
49 Moorgate, EC2R 7BQ.
UNITED KINGDOM REGISTRAR:
Lloyds Bank Limited,
Registrar's Department,
Goring-by-Sea, Worthing,
West Sussex, BN12 6DA.
5 August 1976.
By order of the board,
C. E. WENNER,
H. J. GREEN,
Joint London Secretaries.

A ROYAL PATRIMONY THE PRADO MUSEUM AND SPANISH HISTORY

by Jan Read

'Perhaps no museum is more closely linked with the politics and overseas adventures of its country's rulers than the Prado in Madrid.'

An article in the AUGUST issue

HISTORY TODAY

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EUROPEAN NEWS

ITALIAN COMMUNISTS AGREE TO ABSTAIN

A new balance

BY ANTHONY ROBINSON IN ROME

AFTER STUDYING the 80-page Government programme announced by Prime Minister Giulio Andreotti, the Communist Party has formally announced its decision to abstain in Parliament and thus put an end to the pantomime of reluctance and uncertainty that has accompanied the party's public statements for two weeks.

The Communists have formally decided to abstain because of Italy's need to have a government in actuality after months of caretaker administration and because a series of anti-Communist barriers have fallen during the six weeks since the elections.

The first sign that the Christian Democratic Party, which has formed the minority Government under Sig. Andreotti, recognised that the new balance of parliamentary forces required the agreement leading to the election of Communist Pietro Ingrao as "Speaker" of the Chamber of Deputies, with the aid of Christian Democrat votes, and the election of Christian Democrat Amintore Fanfani to the equivalent post in the Senate, with the aid of Communist votes.

Then came the election of seven Communists to chair important parliamentary commissions and ultimately the exclusion from the new Government of former Foreign Minister Mariano Rumor, former Treasury Minister Emilio Colombo, and the controversial Sicilian Minister Sig. Giovanni Gioia, who figured largely in the report of the anti-Mafia commission.

However, the Communists have not had all their own way but have accepted philosophically the enlarged list of under-secretaries. The number here rose from 38 in the old Government to 47, a reminder once again of the sort of pressure a Prime Minister is under from various factions as he forms his government.

With the Communists' formal abstention assured, the way is clear for Sig. Andreotti to form his Government, which on paper is the weakest ever—but which in fact is a Government that has the conditional support of all the political parties (with the excep-

The Communist Party has now agreed to make possible the formation of yet another Christian Democrat government by abstaining and the Christian Democrat Party has agreed to form such a government even though it means recognising the de facto entry of the Communist Party into the government area.

would be kept squarely on the opposition side. The Communists had declared that they were pressing for inclusion in a new government of broad national unity or that, failing this, they would return forcefully to the opposition role they have held for the last 30 years.

However, the Communist Party has now agreed to make possible the formation of yet another Christian Democrat government by abstaining and the Christian Democrat Party has agreed to form such a government even though it means recognising the de facto entry of the Communist Party into the government area.

Sig. Andreotti won the sup-

port of his party by demonstrating that numerically there was no alternative if the Christian Democrats wished to remain in government. Their former Centre-Left allies had all shown their unwillingness to join a coalition at this stage. Although Sig. Andreotti's long-term strategy is believed to be based on the eventual re-entry of the Socialist Party, now under the new leadership of 43-year-old Bettino Craxi, at some time in the not too distant future. At present there is no way such an operation could take place without splitting the Socialists.

For the Communist Party, however, the task of explaining the leadership's decision to emerge from the relative clarity of opposition (relative to the fact that more than 60 per cent of recent legislation has passed with Communist support or abstention) to the ambiguity of complete abstention has not been easy. Party leaders have been sent scurrying to explain the situation to the rank and file and underline the breakthrough which this represents in the party's long-term search for respectability and recognition as a potential government partner.

Perhaps the most telling argument to be heard in private conversations in the Communist camp is that thanks to the new balance of forces in Parliament, where the Communists, for example have 238 seats in the Lower House compared with 263 for the Christian Democrats, the new Government will be very closely controlled.

The party intends to exploit to the full its chairmanship of the members of commissions by calling ministers and experts at hearings, examining accounts, vetting public appointments and so on. Moreover, the Communist Party is a real political party in the modern sense, with considerable research back-up and professional verbal and disciplinary discipline. The Christian Democrat Party is a loose federation, weak in discipline, back-up and organisation. For years the party had largely neglected Parliament, which had degenerated into a rubber-stamp organisation. Now every piece of legislation will be fought over.

The Communist Party will be there in force—but will the Christian Democrats? And if not who will really be governing Italy? That is the No. 1 question concerning the next Parliament.

E. Germans kill Italian at border

BY NICHOLAS COLCHESTER

ALREADY strained relations between West and East Germany seemed certain to deteriorate further to-night after the East German news agency revealed that an Italian, Emilio Cough, had been shot and fatally injured on the frontier between the two parts of Germany.

The incident comes less than two weeks after a West German from Hamburg was shot and wounded for walking on to East German territory on the West German side of

the formidable barricades which East Germany insulates itself from the West. This incident led to a formal protest by Chancellor Helmut Schmidt and to a reply from Moscow. A detailed account of the latest shooting is not yet available. According to the East German agency the Italian attempted to tamper with the fence close to a border crossing point in Bavaria. He was shot by East German guards and died of his wounds despite "immediate medical aid."

The death coincided with a sharp exchange today between Government and Opposition in the Bonn Parliament about the Government's handling of the situation on the inter-German frontier. The CDU, has insisted that Chancellor Schmidt is too soft with the East German. The Italian Foreign Minister said it has sent a stiff Note to the East German Government. A Ministry spokesman said the Note expressed the profound regret of the Government and demanded a full investigation.

Sismik One sails on new venture

The Turkish research ship which has been searching for oil in the Aegean Sea was setting out on a new voyage last night and could sail into an area hotly disputed by Greece, reports Prime Minister Suleyman Demirel said.

The 1,200-ton Sismik One was leaving the Dardanelles port of Canakkale and would be at sea for about 10 days. Warnings issued to shipping by the Turkish navy indicated that the vessel would be prospecting somewhere to the south west of the Dardanelles and east of the island of Limnos.

Greek visit

Dutch Foreign Minister Mr. Max Van Der Stoep will visit Athens on Monday for talks in his capacity as President of the EEC Council with President Constantinos Karamanlis, reports the Dutch Embassy in Athens. The talks will cover subjects in connection with the upcoming negotiations over Greece's entry into the Common Market.

Euro-team

Mr. Roy Jenkins, the Home Secretary who becomes President of the Common Market Commission in January, made his first appointment in that role. Mr. Crispin Tickell, 46-year-old Foreign Office diplomat will head Mr. Jenkins's office (chef de cabinet) in Brussels.

Irish strike

A long war of attrition between striking bank officials and the Irish Government now seems likely following the break-down of talks between the Minister for Labour, Mr. Michael O'Leary and the Executive of the Irish Bank Officials Association, reports our own correspondent from Dublin.

Suarez unveils first economic measures

BY OUR OWN CORRESPONDENT

MADRID, August 5.

MEASURES designed to shore up Spain's sagging economy, the first initiated under the new economic pact, were unveiled today by Prime Minister, Senor Adolfo Suarez. Two economic decrees, approved at the last Cabinet meeting and published on Wednesday in the official Gazette, which does not require royal assent, deal mainly with the problem of unemployment through increased industrial investment, stabilising the prices of essential food, and attacking crisis conditions in the country's farming sector. One of the decrees approves a discretionary credit facilities of Ptas.24,000m. (about £120m.) to be used by the Government for a wide range of projects, including subsidies for some Spanish farm and fishing. The Suarez Government last week scrapped the economic tripartite action plan drawn up by the former Minister of Finance, Sr. Carreras.

Criticism in Lisbon

BY PAUL ELLMAN

LISBON, August 5

PORTUGAL'S MINORITY Socialist Government was given an early warning to-day of Communist opposition as a five-day debate on the programme presented by Premier Mario Soares and his Cabinet opened here. The programme, a 240-page document promising wide-ranging measures to heal social divisions and revive the country's ailing economy, was denounced by the Communist Party, which said it would be "bad" if the Socialist Government, which came to power in the 1976 National Assembly elections, was driven to restrict liberties because it could not win the confidence of the people. Although Dr. Cunha had said his party's intentions, was widely assumed that the Communist deputies would object to the rejection of the Government's programme when debate winds up.

WORLD TRADE NEWS

SHIPBUILDING

EEC approves U.K. price guarantees

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, August 5. THE EEC COMMISSION has given grudging approval to the British Government's cost inflation protection system for shipbuilding contracts placed by British shipowners at British yards. But it emphasised that the scheme must be regarded only as an interim measure intended to alleviate uncertainties and safeguard employment in advance of the expected nationalisation of the industry.

The Commission has made it clear that in return for sanctioning the scheme, it expects the U.K. to phase it out within a relatively short time. No formal deadline has been set, but officials in Brussels have indicated that they would like to see it wound up by February next year, when the system is due to be reviewed by the U.K. Government and by which time the question of future ownership of the shipyards will presumably have been decided by Parliament. The aim of the scheme is to protect shipyards from the effects of large cost increases on construction contracts which would otherwise be unworkable. The Commission's decision, which must in turn be approved by Governments of the Nine, follows the modification by the British Government of its original measures so as to bring them more closely into line with Community rules and policies on State aids to industry.

As a result of these changes, which were announced by the UK after consultations with the Commission earlier this year, the price guarantee system for export ships was taken out of the general system for guaranteeing prices of capital goods exports, which was introduced early last year.

In addition, to satisfy the Commission's demand that the system should not be discriminatory, the U.K. agreed to extend the guarantees to cover price increases for components and supplies imported from other Common Market countries.

Japan agrees iron ore deal in Brazil

BY CHARLES SMITH

TOKYO, August 5.

KAWASAKI Steel Corporation, the company which has so far taken the lead in overseas investment by the Japanese steel industry, signed a "basic agreement" to-day for development of the Capatzen iron deposit in Brazil in co-operation with CVRD, the Brazilian state mining concern.

Kawasaki will be the leader of a group of Japanese companies which will hold a 49 per cent stake in the \$117m. Capatzen project. This is a far larger percentage stake than any Japanese company has previously held in an overseas iron ore development project, although the project itself is relatively small.

A spokesman in Tokyo said Capatzen would be Japan's first captive source of iron ore in a foreign country, in contrast with the big iron deposits in Australia where Japan has taken only a small minority stake.

Kawasaki has made the move partly because Capatzen provides a convenient ore source for the projected Fubarao integrated steel plant in which it is a 24.5 per cent participant with Brazilian and Italian partners.

Two other reasons are the desire to fend off any OPEC-type action by countries controlling the world's major iron ore

Abu Dhabi's industrial ambitions

BY KATHLEEN BISHTAWI INDOUBAI

ABU DHABI planners are contemplating a new industrial city in the coastal area of Ruweis, 200 kilometres out of the capital. The new city will have a deepwater port and many gas-related industries fuelled from the four fields which lie 100 kilometres inshore.

This news comes just two days after the ruler of Dubai, Sheikh Rashid Bin Saeed Al Maktoum unveiled his plans for a massive Dhimah New Jebel Ali, 30 kilometres outside of Dubai. However, "informed sources in the UAE capital deny that the plans for Ruweis are in any way in competition with the new Jebel Ali city and insist that it is in the national interest to harness the tremendous amounts of gas which are currently being flared from these four fields. The source said that the value of the gas produced in barrels of oil a day and the standard cubic feet of gas daily. It is estimated that the gas reserves of the Bab and the East. The area is under study at the moment by the Abu Dhabi National Oil Company, ADNOC.

The mere presence of so much gas in vast quantities could mean that the new Ruweis industrial city would be larger than anything planned by Dubai because of the latter's shortage of gas. From the four fields, the gas has yet to be collected in a gathering system and then fed by pipeline to the plant.

Under study is a refinery and though the capacity of the plant has yet to be decided, it is thought that the major part of the products will go for export.

W. German exports cut

BY NICHOLAS COLCHESTER

BONN, August 5.

APPARENTLY BECAUSE of their reliance on oil, the trade debt with the West has been estimated at \$30bn. at the end of last year. The sharpest fall in German exports was recorded to Hungary (-12 per cent), Bulgaria (-17 per cent) and Romania (-41 per cent).

Germany's positive trade balance with socialist states for the first time since 1971. A study by the Dresdner Bank concludes that while Germany's exports to the Communist bloc (excluding East Germany) rose by only 3 per cent to DM7.5bn. in the first five months of this year, Germany's imports from these countries leapt by 34 per cent to DM4.3bn.

The growth figures compare with a 14 per cent increase in Germany's exports as a whole with a 21 per cent increase in Germany's overall imports. Dresdner attributes the fall in exports to efforts by these

line 100 kilometres to the coastal area of Ruweis. The first project which will take shape is the Lpg plant, which is still the subject of lengthy negotiations between ADNOC and the Abu Dhabi Petroleum Company. Discussions at one stage broke down between the two parties over how much each should invest in the plant. Even now the price of oil is put on the cards of the Lpg project until the scope and capacity of the plant is decided. The Lpg plant will produce propane, butane and natural gasoline, all for export.

Also planned is a fertilizer plant which will produce 2,000 tons of ammonia and 1,500 tons of urea daily. Negotiations are now going on between ADNOC and the national oil company is also having discussions at the moment with potential participants in a venture to build a steam cracking petrochemical plant. The plan at this stage calls for the production of ethylene at the rate of 400,000 tons a year.

Under study is a refinery and though the capacity of the plant has yet to be decided, it is thought that the major part of the products will go for export. This steel plant, which will take three years to complete will have an initial production of 400,000 tons a year, but the second phase of the project calls for the construction of a second plant of the same capacity. This a major industrial centre in the Gulf.

These major plans for a remote area of Abu Dhabi, which are four years drive from the capital, have potential to outshine anything planned by Dubai. With abundant energy just close to the natural deepwater harbour, Ruweis could become a major industrial centre in the Gulf.

Citroen plant for Spain will employ 2,000

BY ROBERT MAUTHNER

PARIS, August 5.

THE FRENCH car manufacturer Citroen, which was recently taken over by Peugeot, has announced that it will build a second factory in Spain at Orense. It already has a plant at Vigo.

Spain is the second biggest market for Citroen, preceded only by France itself. Citroen Hispania, with a 1975 turnover of Ptas.155m, produced 110,000 vehicles at its Vigo factory last year, more than one-fifth of total Spanish car production. Of these 72,500 were registered in Spain, 12.5 per cent of total Spanish registrations.

The new factory at Orense, which will eventually employ some 2,000 workers, will produce mainly mechanical parts for Citroen cars.

The last annual report of the Citroen holding company stated that the production target for

Aerospace sale

EXPORTS by the U.K. aerospace industry reached nearly \$450m in the first six months of this year, a rise of over 55m on the corresponding period of 1975.

The SAC said that the first half-year's export boom by record monthly returns March and again in May, puts U.K. industry well on its way to achieving exports of close \$500m this year.

The six-months' figures show that exports of aircraft and parts amounted to nearly £215m while those of engines and parts amounted to over £19m.

JPV100155A

China: economic disaster emerging

PEKING, August 5. — China's economic disaster is emerging, according to a report from the Chinese media. The report, which is the first to be published since the earthquake, says that the country's economy is in a state of "extreme difficulty". It claims that the earthquake has caused "serious damage" to the country's infrastructure, including the railway, roads, and bridges. The report also says that the earthquake has caused "serious damage" to the country's economy, including the loss of many jobs and the destruction of many businesses. The report claims that the earthquake has caused "serious damage" to the country's infrastructure, including the railway, roads, and bridges. The report also says that the earthquake has caused "serious damage" to the country's economy, including the loss of many jobs and the destruction of many businesses.



Record Thailand budget
Prime Minister Seni Pramoj yesterday announced a 25 per cent increase in Thailand's defence spending when he presented a record budget in the National Assembly.

Beirut truce is threatened as evacuation stalled

BEIRUT, August 5. — LEBANON'S 54th ceasefire since the civil war began 16 months ago went into effect today but Right-wing military pressure against a Muslim quarter at Beirut is already posing a serious threat to the new truce.

Third World payments union plan

GENEVA, August 5. — DETAILS of a "global payments union" for developing countries, which was discussed by the non-aligned nations at their summit conference in Colombo starting on August 14, were disclosed today by Dr. Abdel Maguid, the Egyptian Deputy Minister of Planning and author of the plan.

Tanaka faction prominent in fresh pressure on Miki

TOKYO, August 5. — PRESSURES FOR the early replacement of Mr. Takeo Miki as the leader of Japan's ruling Liberal Democratic Party are building up again, despite Mr. Miki's apparent success in unravelling the facts of the Lockheed affair.

Tarbela Dam ready to operate

KARACHI, August 5. — SPECIAL consultants have given the green signal to fill the Tarbela Dam to the maximum capacity and it is now ready to give the required benefits to the nation.

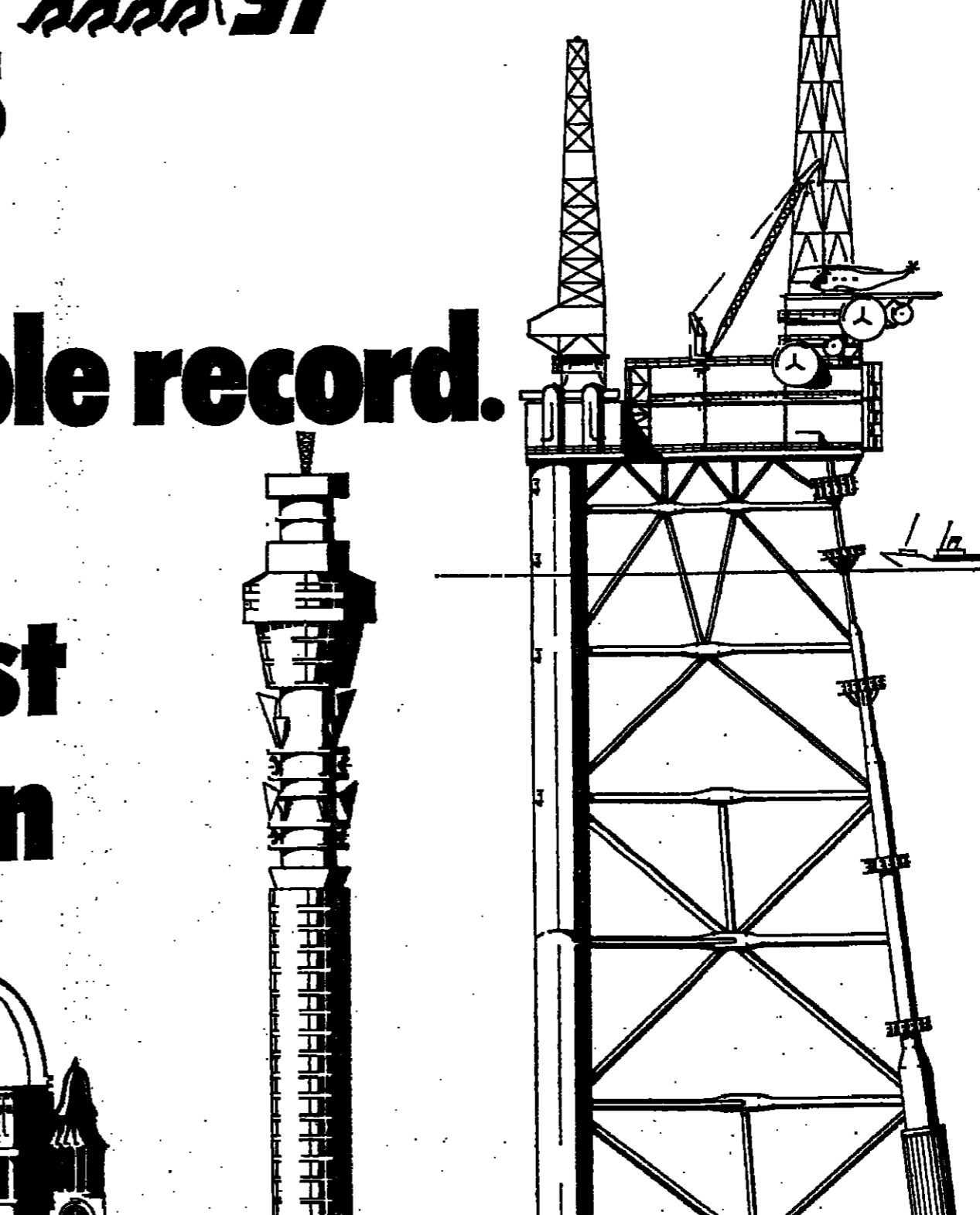
Uganda, Kenya keep talking

Uganda and Kenya yesterday held a second round of talks aimed at easing the tense relations between them, but there was still no word on what progress, if any, was being made, reports Reuters from Nairobi.

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AMERICAN NEWS

OECD ANNUAL REPORT

A favourable verdict on the U.S. economy

THE OECD returns a generally favourable verdict on the American economy in its latest annual report on the U.S., pointing out that the performance of the past 12 months has exceeded the expectations of a year ago. By the first quarter of 1978 both real GNP and employment had regained their pre-recession levels and inflation, partly due to temporary declines in food and energy prices, had been brought down to less than half the rate recorded in 1975.

Given the momentum of the recovery and the strength of forward-looking indicators, a continuation of significant output and employment growth can be expected during the 12 months ahead. Some acceleration of inflation from the rate experienced in the early months of this year seems likely, since food and energy prices are turning up again, but in the absence of a sharp surge in commodity prices, inflation should remain well below last year's rate. The following are extracts from the OECD's detailed forecasts for the U.S. economy in the period up to mid-1977.

Inflation

The sustainability of the upswing greatly depends on future wage and price developments. Renewed price inflation would not only erode real personal incomes and depress consumer confidence but would also entail rising interest rates and possible dislocation in financial markets. So far, the wage-price performance has

been rather encouraging though some signs of reversal in the moderating trend of inflation were seen in recent months.

Contracts concluded in the first quarter of 1976 provided for increases of less than 9 per cent. This 'deceleration' is not necessarily representative for 1976 as a whole since important negotiations are scheduled after the spring. Preliminary indications concerning some major agreements would suggest continued restraint on the wage side. However, as 1976 is a year of heavy bargaining schedule, and profits are rising sharply, some strengthening in wage claims would seem likely. On the other hand, labour, in particular in the non-unionised sector, has become more conscious of job security, and the persistence of sizeable unemployment should therefore prevent a significant acceleration of wages in the coming 12 months. Thus the rise in wages, measured by compensation per man-hour, may not exceed 9 per cent by mid-1977, as compared with the 8 per cent annual rate recorded early this year.

Prices

The rise in prices decelerated markedly in the first half of 1976 and steadied in the second half at around 7 per cent if measured by changes in the GNP price deflator. The first quarter of 1976 saw a further fall in the overall rate of inflation to 3½ per cent annual rate but this was mainly due to the decline in food prices and a rollback of oil prices in

line with the decontrol schedule. The underlying trend, excluding food and oil, appears to have been 6.4½ per cent. Accordingly, a re-acceleration of prices from the low first quarter rates seems inevitable once food and fuel prices stop falling. Moreover, the recent pick-up in material prices will affect final product prices.

Demand and supply

A steady rise of real GNP at an annual rate of around 6 per cent is expected to continue. During most of 1976, the upswing is likely to be led by buoyant private consumption with a gradual shift to business fixed investment. Stockbuilding should continue to support the growth of output though at diminishing rates. More than half the increase in GNP may be met by higher productivity and longer working hours. Nevertheless, the implied growth of employment would exceed the rise in the labour force, resulting in a moderate fall in the unemployment rate to perhaps some 6½ per cent by mid-1977.

Consumption

The wage-price outlook combined with an expected significant rise in labour input suggests a rise in households' real

disposable income of some 5 to 6½ per cent (annual rate) during the forecast period. Purchases of durable goods, in particular automobiles, are likely to increase more rapidly through a gradual decline of the saving ratio. In the first half of 1977 when durable goods purchases may stabilise at a high level, the saving ratio may stop falling. As a result increases in real private consumption would decelerate somewhat.

Investment

Business enquiries and movements of leading indicators convey a rather mixed picture of prospective trends in business fixed investment. Though the new investment boom is difficult to assess, there is no doubt that the pre-conditions for a sustained upswing are favourable. Allowing for a likely pessimistic bias of investment intention surveys conducted in early stages of an upswing, it would seem reasonable to expect a continued moderate acceleration of non-residential investment, with mid-1977 sales of 41 per cent (annual rate) possibly rising to annual rates of around 15 per cent in the first two quarters of 1977. Even on this assumption, the level of investment attained by mid-1977 would remain well below the peak recorded in the first quarter of 1974.

Stockbuilding

The rebuilding of stocks in the first quarter of 1976 assumed

greater proportions than expected, accounting for almost half the rise in real GNP. With industrial orders rising strongly, commodity prices turning up, and liquidity of corporations remaining high, the restocking process, notably in materials and semi-manufactured goods, should continue at high rates. However, the positive impact on growth of output is likely to diminish gradually as is typical during the more advanced stages of business upswings. The Secretariat forecast, thus, assumes a normal cyclical path of stockbuilding implying that the ratio of real inventory formation to GNP would change little from its first quarter 1976 level.

External balance

Given the world trade outlook as presented above and the on-cyclical grounds—unfavourable commodity structure of U.S. exports, merchandise exports are expected to increase moderately during 1976, followed by some acceleration in the first half of 1977. In contrast, the volume of imports is likely to rise very sharply in the first half of 1976, restoring normal relationships between the level of real output and imports. Consequently, a marked slowdown of imports seems likely after mid-1976. As a result, real net exports, including services, can be expected to decline significantly during the first half of this year, stabilising thereafter. The marked improvement in terms of trade recorded during 1975 will probably be reversed somewhat during the forecast period. Taking into

Republican moves to block Connally gather strength

BY DAVID BUCHAN

WASHINGTON, August 5

THE MOVE to keep Mr. John Connally off the Republican ticket gathered strength today when Senator Robert Griffin, Republican Minority Leader from Michigan, added his voice to those who question the political wisdom of Mr. Ford choosing the Texan, tried and acquitted last year of taking the milk fund bribe while he was Mr. Nixon's Secretary of the Treasury.

Mr. Connally, said to be a strong Vice-Presidential contender in Mr. Ford's mind, has reacted sharply to what he calls "a vicious, malicious distortion of the truth." Showing the sort of spirit that so endears him to some sections of the party, he only joined two years ago, Mr. Connally said yesterday, the Republican ticket must go on the attack against the Democrats this autumn and that

INTERIM STATEMENT

ANGLO AMERICAN COAL CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

REPORT FOR THE HALF-YEAR ENDED 30TH JUNE 1976 AND NOTICE OF DIVIDEND DECLARATION

The following are the unaudited consolidated results of the company and its subsidiaries for the half-year ended 30th June 1976 together with comparative figures for the half-year ended 30th June 1975 and the results for the year ended 31st December 1975. These should be read in conjunction with the notes below.

	Half-year ended 30.6.76	Half-year ended 30.6.75	Year ended 31.12.75
	R 000	R 000	R 000
Group profit before taxation	13 754	9 931	17 265
Coal mining and coke production	2 250	2 932	6 036
Refractory and associated production	(158)	(71)	978
Property sales and investment income less interest paid and administration expenses	15 816	8 782	24 279
Deduct: Provision for taxation	2 584	2 078	5 394
Group profit after taxation	13 322	6 714	18 885
Less: Profit attributable to outside shareholders in subsidiary companies	1 433	2 947	3 122
Less: Interim dividend paid to outside shareholders of companies which are now wholly-owned subsidiaries of Amcoal	11 799	3 767	15 763
Profit attributable to shareholders of Amcoal	11 799	3 767	14 866
Number of 50 cent shares in issue	23 491 438	11 000 000	23 491 438
Earnings per share	50.2 cents	34.2 cents	63.3 cents
Dividends per share	15.0 cents	34.2 cents	28.5 cents
* Equivalent to the 2 750 000 stock units of R2 each then in issue.			
Notes:			
1. Because of the substantial expansion of the group by acquisitions undertaken in 1975, a true comparison of the figures for the half-year under review with those of the half-year ended 30th June 1975 is not possible.			
2. The rate of taxation liability for the half-year under review is lower than in the comparative periods shown above because of capital expenditure allowances in certain of the coal mining subsidiaries.			
3. Estimated net commitments for capital expenditure for the group are as follows:			
	30.6.76	30.6.75	31.12.75
	R 000	R 000	R 000
Outstanding orders on capital expenditure contracts	22 053	12 567	33 272
Projects approved by the boards but not contracted out	22 325	21 937	4 368
	44 378	34 504	37 640

COMMENTS

1. Financial requirements
The group has so far arranged for the raising of medium and long term loans totalling R52 million to repay short term loans and towards meeting its forecast financial requirements, of which part is represented by the existing net capital commitments of R44 978 million referred to above.

2. New export business
Investigations into the export of steam coal for the group's own account have reached an advanced stage and a decision will be made in the near future. Consideration continues to be given to the best means of raising the additional finance required for this business should it go ahead.

3. Price increase
On 2nd July 1976 the Price Controller authorised an increase of 226 cents per ton in the domestic price of bituminous coal in the Transvaal area. This substantial increase will have a material effect on the profitability of group mines selling coal through the Transvaal Coal Owners Association, but it must be emphasised that these companies will have to retain a considerable proportion of profits to fund expenditure on facilities both to meet the demand for coal on the domestic market and to achieve higher levels of extraction of reserves.

4. Results for the year
Results achieved for the half-year under review were better than expected. In addition, because of planned increases in sales output for both the export and domestic markets, and of the price adjustments announced on 2nd July, it is forecast that group earnings for 1976 will exceed the total of 106 cents a share published in the merged documents in November 1975.

For and on behalf of the Board
W. G. Boustred
G. W. H. Kelly

4th August 1976

DECLARATION OF DIVIDEND NO. 106

Notice is hereby given that dividend No. 106 of 15.0 cents per share, being an interim dividend for the year ending 31st December 1976, has been declared payable to members registered in the books of the company at the close of business on 20th August 1976.

The transfer registers and registers of members will be closed from 21st August to 3rd September 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 14th October 1976. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on 5th October 1976, of the rate of value of their dividends, less appropriate taxes. Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the company's transfer secretaries in Johannesburg or the United Kingdom on or before 20th August 1976. The effective rate of non-resident shareholders tax is 15%.

The dividend is payable subject to conditions which can be inspected at the Head and London Offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the Board

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

4th August 1976

Transfer Secretaries:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001.
(P.O. Box 61051, Marshalltown 2107)

Registered Office:
44, Main Street,
Johannesburg 2007.
(P.O. Box 61887, Marshalltown 2107)

Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent,
TN24 5EQ

London Office:
40, Holborn Viaduct,
EC1P 1AA

Mystery disease 'is not swine flu'

By David Bell

WASHINGTON, August 5.

THE FIRST batch of preliminary results of the tests which have been carried out on the mysterious virus which has now killed 22 people appear to indicate that it is not swine flu, the influenza strain that killed many millions after the First World War.

Governor Milton Shapp of Pennsylvania told a news conference in Harrisburg, the state capital, this morning that "it most probably is not an influenza virus" and that, so far at least, it does not appear to be spreading. Dr. Leonard Bachman, the state Health Secretary, said that the latest data seems to indicate that some other type of virus or toxic chemical may be the cause of the disease but he acknowledged that it is possible that the cause will never be known for sure.

More tests are under way in Atlanta at the Federal Disease Control Centre and the results of these will be known tomorrow. Meanwhile there are a number of informed guesses about the disease, two of which are being taken very seriously by doctors. The first of them is that it may be histoplasmosis, a fungus-type disease with similar symptoms. The second is that it could be ornithosis, a disease transmitted by birds. A Pennsylvania doctor has successfully treated three victims with tetracycline on the assumption that the disease was ornithosis, which has exactly the same symptoms as the outbreak in the state.

Meanwhile Dr. David Sencer, the Government's leading disease control expert, told a Senate Health Subcommittee today that he too thought that the disease did not look like some swine flu and that it appeared to be running its course.

Disappointing increase in new car sales in July

BY JAY PALMER

NEW YORK, August 5.

SALES of new cars in the U.S. rose by only 9 per cent overall during the month of July, well below most earlier expectations thanks to an unexpectedly weak last ten days. As in recent months, the July sales pattern continued to show a sharp fall in demand for foreign-made cars.

During the month, deliveries of domestic-made vehicles rose from 636,696 a year ago to 736,780, a gain of 16 per cent over the same period, demand for foreign car imports dropped to 126,000 from 156,000 in July 1975, a fall of 18 per cent.

While total domestic sales rose 19 per cent in the last ten days of July to 304,314, this was well below most projections of at least 315,000 sales. The month's total sales fell about 25,000 cars below target resulting in a larger than normal June-July decline of 11 per cent. The lower July sales resulted in a drop in the annual selling rate from 8.9m. to 8.7m.

All but a few of the largest foreign importers saw their July sales fall very sharply from the excellent 1975 comparative levels. The exceptions to this trend were BMW, Honda and Toyota.

During July, Volkswagen's sales in the U.S. slipped over 32 per cent. British Leyland (and a few others) saw their sales drop 4 per cent, while Fiat and Datsun posted declines of respectively 44 and 17 per cent.

The year-to-date comparison obviously favours the large U.S. car manufacturers which, since last autumn, have been benefiting from not only the general sales upturn but also a strong, and still continuing, switch back in general demand to large cars away from smaller models.

General Motors, benefiting from an especially strong upturn in its Pontiac and Oldsmobile divisions, lifted its total July sales by over 22 per cent. The company, which like Ford and

Chrysler posted all-time record second-quarter profits last week, was the only major U.S. car company to lift its total share of the U.S. car market during July.

By comparison with GM, Ford and Chrysler lifted their July sales by respectively 14 and 15 per cent. Their share of the U.S. car market was respectively 28 and 14 per cent, against GM's 55 per cent. American Motors, which unlike its competitors has proved very vulnerable to its traditional small-car emphasis, posted July sales of 41 per cent, cutting its market share to a dimly low 24 per cent.

The word from Detroit today is that the unexpected slowdown in end-July sales stemmed simply from stock shortages and that, had the vehicles been available, the month's sales could have been easily 40,000 cars more. At the moment the domestic industry as a whole is estimated to have only 53 days of supply available, a figure well below desired levels.

Support for Canadian dollar

The Bank of Canada intervened heavily during July in an attempt to support the Canadian dollar in foreign exchange markets, according to monthly figures released by the Department of Finance on Canada's international reserves, written James Scott in Toronto.

The Bank used \$US260.6m. to buy Canadian dollars during the month to keep the value of the dollar from declining more than it might have in spite of the intervention. The Canadian dollar declined from a high of 103.1 cents (U.S.) at the beginning of July to 102.4 cents at the end of the month. Yesterday it dropped to 101.5 cents.

Last month's intervention to support the dollar was the largest since the Central Bank bought \$US27m. in January and \$US273m. in February, in an attempt to slow the strengthening of the Canadian dollar at that time because of large capital inflows.

While the Central Bank says that it intervenes only to maintain orderly market conditions, its transactions over time can affect the exchange rate. The latest figures show that U.S. dollar reserves amounted to \$3.75bn. on July 31, down from \$3.83bn. a month earlier.

Breakdown threat to Mars probe

The second breakdown of the robot arm on the Viking 1 lander threatens tests to establish if life exists on Mars or, at least, if Mars exists or existed, according to a letter to the Viking project, Reuters reports from Pasadena, California. The 10 foot long soil scooper jammed on with a lot for the crucial organic compound test to determine the make-up of the Mars soil. Dr. Thomas Young, Viking Mission Director, said yesterday that it was the jamming of the scooper was due to a breakdown in its motor. It might never move again. He said that it was stuck between 20 and 25 inches out. Dr. Young said this would mean Viking could not get soil samples from other areas to test its puzzling first readings from the Mars soil.

Italy aid talks

The U.S. has consulted France, Germany and Britain over economic aid to Italy should Italian Communists take cabinet positions in a new Italian government, Reuters reports from Washington. The U.S. National Security Council, Mr. Brent Scowcroft has said, Reuters reports from Washington. In a letter to the House of Representatives International Relations Committee Mr. Scowcroft said: "Contrary to the impression conveyed by some Press reports, there was no agreement entered into by the U.S. with France, West Germany, and Britain, or any other country, on the question of assistance to Italy if the Communists entered the Italian Government." However, the general issue was discussed at the economic summit meeting in Puerto Rico in June, he said.

Fishing fine

The owner of an Italian fishing boat seized off the New Jersey coast last month has agreed to pay a \$100,000 fine for violating laws that protect the rapidly diminishing cod fish off the Atlantic coast, AP-DJ reports from Newark. U.S. Attorney Jonathan Goldstein announced the settlement of a law suit filed on July 22 against the Amoruso Quarto, a 210-foot stern trawler seized about 80 miles east-southeast of Toms River after the coast guard found 11 lobsters aboard. The ship and its 65-member crew was being held in the port of Newark until disposition of the suit. The owner, Sig. Amoruso Michele Figli of Bari, Italy, has agreed to pay the \$100,000 fine and \$3,245 in court costs and wharfage fees, Mr. Goldstein said.

Senate votes to make tax credit permanent

WASHINGTON, August 5.

THE U.S. Senate has voted to make permanent the 10 per cent investment tax credit and to give companies an extra two per cent credit for putting an equal amount into employee stock ownership.

Extension of the Asic credit, which allows companies to reduce their tax bills by 10 per cent of the cost of their equipment purchases, was never in doubt. Although the credit is due to drop to 7 per cent on December 31, the House, too, has voted to continue it at 10 per cent, but only through 1980. The 10 per cent credit saves business \$9.5bn. a year in taxes. Giving companies a 12 per cent investment tax credit for putting an amount equal to the extra two percentage points into an employee stock ownership

plan, or ESOP, was highly controversial, however. Current law permits an extra one percentage point of stock going into an ESOP. Liberals proposed to extend the current one-point bonus for two years, rather than raising it to two points and making permanent. The ESOP tax break discriminates against other types of employee stock ownership plans and against industries that do not use much capital equipment, they argued.

But Senator Russell Long, chairman of the Senate Finance Committee, replied that other plans are open only to employees who can afford to buy stock, while ESOP plans have the advantage of 100 per cent participation.

Bahamas water supply loan

BY NICKI KELLY

NASSAU, August 5.

THE WORLD Bank, the Caribbean Development Bank and a Canadian Imperial Bank of Commerce consortium of six local banks have approved loans totalling \$19.2m. to the Bahamas Government to assist in financing a \$32m. programme for expanding the country's water supply.

The \$10m. World Bank loan, which is guaranteed by the Government, will be payable over a 20-year period including three years' grace, at 6.5 per cent per annum. Other financing includes \$3.24m. from the Caribbean Development Bank's Venezuela trust fund and \$1m. each from the Bank of Nova Scotia, Royal Bank

of Canada, Bank of Montreal, Canadian Imperial Bank of Commerce, Barclays International and City Bank.

The World Bank stressed that tourism, which accounts directly or indirectly for 77 per cent of the Gross National Product, is threatened by a water shortage and inadequate sewage facilities on New Providence. Expansion of the tourist trade in the main Other financing includes \$3.24m. from the Caribbean Development Bank's Venezuela trust fund and \$1m. each from the Bank of Nova Scotia, Royal Bank

James Scott Engineering Group Limited

Improvement Maintained

Salient points by R. Finley Lockhead, the Chairman.

* In the year to 31st January, 1976 pre-tax profit improved to £403,555 (1975—£241,049) on turnover for United Kingdom companies up from £28.0 million to £32.9 million.

* Accelerated payments on the disposal of the Israeli subsidiary were negotiated. This transaction is now complete and the net surplus of £116,508 has been shown as an extraordinary item.

* Payment of dividend arrears up to 31st January, 1976 and a payment for the six months to 31st July, 1976 has been made to the (first) preference shareholders. This allows the board to commence payment of the dividend arrears on the second cumulative preference shares as soon as circumstances permit.

* Revenue reserves now stand at £296,330 which contrasts with a negative balance of £4,627 at 31st January, 1976.

* The Engineering Services Division improved on budgeted expectations. With the exception of the electronics company, the Industries Division improved its performance and the volume of orders is beginning to increase. The Transmission Division has continued to be active in Iran and Nigeria in addition to the United Kingdom.

* The building industry, apart from being sensitive to cuts in public expenditure, traditionally lags behind in recovery. The Group is looking to the process industries and overseas markets for its immediate prospects.

Copies of the Report and Accounts are available from The Secretary, 89-110 Finsbury Street, London, EC2A 3EA. The Annual General Meeting will be held on Friday, 27th August, 1976.

J.P. 1001.50

The Property Market

MEPC 'down under': and now for the good news

MEPC had something encouraging to say at last, this week, about its somewhat fraught experiences "Down Under" with the Exchange Centre office development in Sydney. It announced that it had arranged a \$58m. loan in the Euromarket to complete the funding of the project.

With the arguments finally over between landlord MEPC and the Sydney Stock Exchange, a signed-up tenants with second thoughts, the decks were cleared for the group to go in search of finance with which to finish the \$58m. complex.

It would clearly have preferred to obtain the money in the Australian institutional market, but poor economic conditions meant a deal was impossible. With U.K. resources strictly non-exportable, the Euromarket emerged as the answer.

Interest on the loan, over five years, is tied to the London inter-bank rate, but MEPC is not saying exactly what it is having to pay.

The group first became involved with the Exchange Centre project in 1970, when it took over London County Freehold and Leasehold Properties.

On the day MEPC announced that it had won control, in the face of fierce opposition from Star (Great Britain), Mr. Gordon Dashwood, the London County managing director, flew back to London to reveal that he had done a deal with the Stock Exchange for a substantial new development.

MEPC manfully took over a project it had known little about

and the lengthy process of negotiations over the development site—and subsequently planning—got underway.

The first thing to go wrong was the Australian economy, which took a dive, dragging the Stock Exchange with it. The 40 or so member firms hit hard times and with turnover well down on the period when their interest in the new Centre had been at its height, it became clear that they would not be able to meet the large rental obligations which formed part of the agreement.

MEPC was not anxious to see such a big tenant for its specialist space disappear without trace and was not prepared to allow the Stock Exchange to assign the lease to someone else.

Battle commenced, but in May a deal was sealed at the doors of the Privy Council.

Under the settlement, the

Stock Exchange will take all the space originally intended—accounting for 15 per cent. of the total office development—while MEPC has given ground on rental escalation clauses which were, by all accounts, quite considerable.

Together with some other smaller agreements, MEPC has now pre-let about 22 per cent. of the Centre, which is due for completion before the end of 1978. With a five-year loan, the group has adequate time to get it fully let, although it will not be hurrying to do so just yet, as the current rental market is poor, with some good space standing empty in Sydney.

The group claims that at least two potential tenants wishing to take complete floors have been brushed while it bides its time in the hope that the rental market swings in its favour, when the recession ends.

Small investors help Welfare to win K&H

ONE OF THE biggest surprises of the week must have been Wednesday night's announcement that Welfare had succeeded in its bid for control of property group Keith and Henderson, despite the fact that it started off with a 32 per cent. holding in the company.

The 80p a share offer, first made at the beginning of June, was rejected by K and H, which saw the logic of a tie-up, but was not prepared to entertain Welfare's views about the net asset value on which the \$5.4m. bid was made.

The gulf over property valuations and the resulting net asset value calculations seemed enormous, with differing opinions centring mainly on two developments in Bournemouth and Salisbury.

At one stage K and H said that if it had known there would be such a significant divergence of views it would not have had bid discussions at all.

As the Artisan affair finally drew to a close, it looked as though the Welfare-K and H situation promised a repeat performance, with this particular tussle also in danger of de-

teriorating into a slanging match. Keith and Henderson was particularly annoyed that references by one of the Welfare valuers—Jones, Lang, Wootton—to potential increases in capital values of the Bournemouth and Salisbury properties were left out of a Welfare circular and took its complaint to the executive of the Panel on Take-overs and Mergers.

The outcome varies, depending on which side is relating the pattern of events.

The action nevertheless highlighted K and H's basic opposition to Welfare's current open market value approach, in contrast to its own figures based on open market values when developments are completed, but not let beyond existing commitments, less the costs to complete.

At the beginning of this week, the K and H directors were saying that the level of acceptance was "derisory" and that they would not be selling their own shares, accounting for 4 per cent. of the equity.

Their charges that Welfare was trying to buy them on the cheap received support from stockbrokers Phillips and Drew, representing clients with about 34 per cent. of the equity, who advised rejection of the bid.

By Wednesday evening, however, Welfare was able to announce it had received acceptances accounting for 20.28 per cent. of the ordinary shares, which with its 32 per cent. stake, was enough to give it control.

A K and H recommendation to accept now seems likely, though K and H will be waiting until it sees the latest Welfare letter before making any pronouncement.

Welfare believes it won the day because the small shareholders preferred to take the 80p now rather than wait for a growth potential which they were not convinced would come.



Debenhams department store in Oxford Street, London.

Debenhams in Oxford Street deal

DEBENHAMS, which has been demolished and replaced.

The Oxford Street sale is busy this year buying up names such as Hamleys of Regent Street and Browns of Chester, undeveloped corner site and move is in line with the group's policy of utilising funds which can be raised on new and existing stores to pay for the cost of the development.

Debenhams has apparently just negotiated another sale and with an 180 feet frontage on to London's best-known shopping street, is one of the largest anonymous pension funds. Like many of its counterparts, it wants to remain paid.

Under the agreement, Debenhams have been granted a 125-year lease of the property on a geared rental basis and will also receive a sum in excess of \$5m.

The Oxford Street store has been undergoing what amounts to a virtual reconstruction since rent geared to 66.3 per cent. of market rental, based on the value of shop rents on the ground floors levels, while the exterior and first floors.

The leaseback will provide cash to cover redevelopment costs. It is in line with the group's policy of utilising funds which can be raised on new and existing stores to pay for the cost of the development.

In the year ending 31 January, the group recorded a pre-tax profit of \$13.3m, against \$5.8m. in the previous year. Sales for the 2m months during the first half of this year were a little over 10 per cent. ahead of last year, and a financial position was reported as "strong".

Conrad Ritblat acted as adviser in the Oxford Street agreement, and King and I acted on behalf of the purchaser who also consulted Healey Baker on some aspects of the transaction.

OUT AND ABOUT

Work has just started on the \$17m. Wingate Centre office development in the City, opposite Aldgate station. The site is owned by British Railways and the London Transport Executive and has been leased to Wingate Investments.

The first block of offices, with 66,000 square feet net of floor-space has been let to insurance brokers Bain Dawes. The project should be complete by early 1978.

The prospect of cheap power is being used as a magnet to let space on the McMillan Road industrial estate in Darlington.

About 1m. square feet of industrial accommodation has come onto the market because of reorganisation within Coats Patens, the textile group. The company is retaining only 800,000 square feet of the 1.5m. square feet site for itself.

Cheap electricity is generated and supplied on site and exhaust steam from coal-fired boilers can also provide cheap heating.

The British Steel Corporation has already agreed to take over 83,000 square feet of space.

Joint letting agents are A. J. Hines and Sanderson, Townsend and Gilbert.

Bankers Trust is expanding in Southwark. It is leasing 6,900 square feet of additional office space in a building adjoining its existing premises in Southwark Street at a rental believed to be close to \$40,000 per annum.

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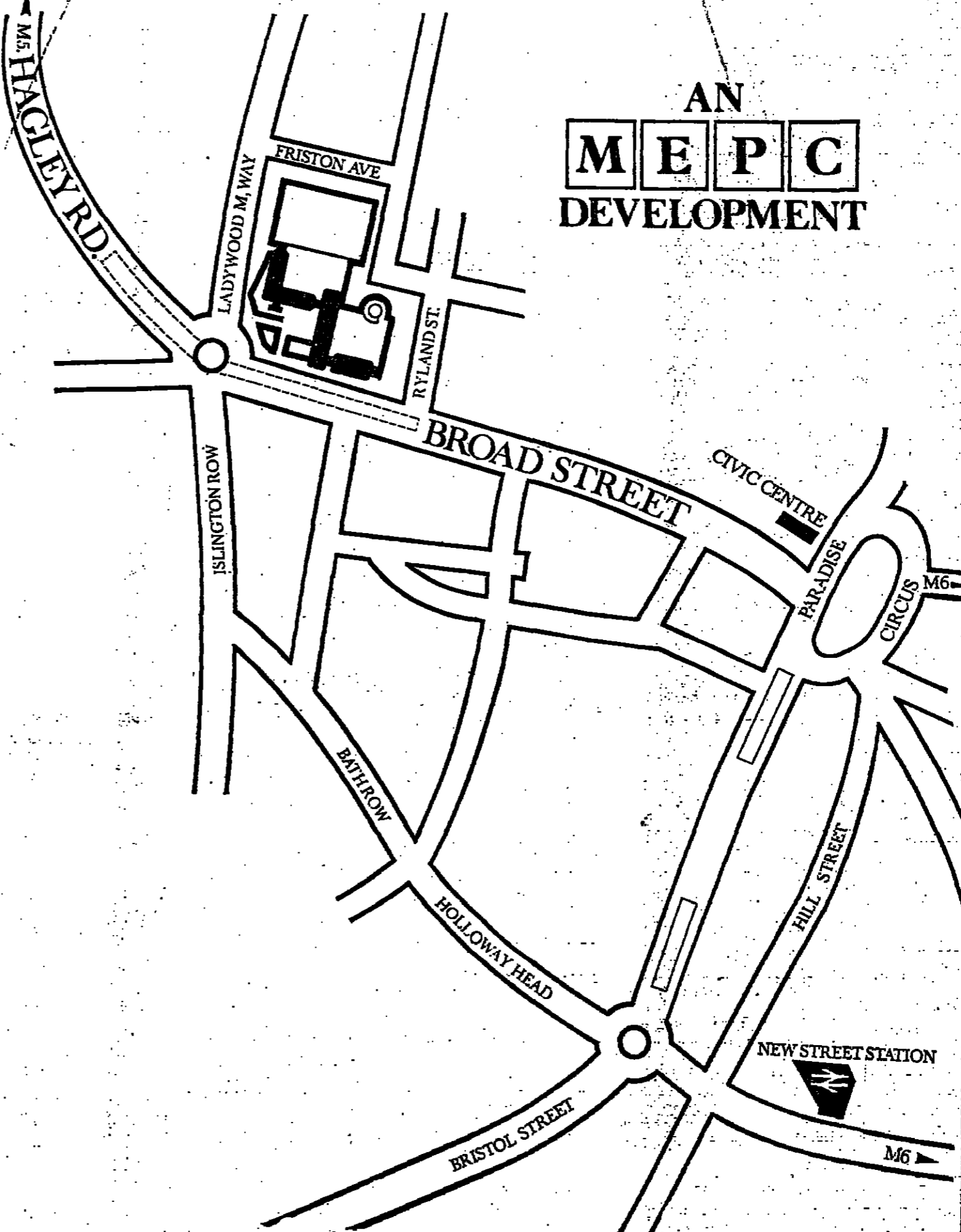
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FRIDAY, AUGUST 6, 1976

A funny way to make cuts

SOME SURPRISE has been expressed at the coolness of the welcome accorded to Mr. Healey's July package, even by those who had called for a firmer control of monetary demand. Yet the more one examines the package, the more justified the initial reservations seem to be. It is true that the projected Public Sector Borrowing requirement for the next financial year of £9bn. is probably as good a target as one can formulate at this stage, bearing in mind that the figure gives a greatly exaggerated idea of what would be called the Budget deficit in most other countries. If one is still anxious about the effect on the internal and external value of the pound it is because the new fiscal target has not been accompanied by any equally firm and unconditional monetary objective.

Presentation

But it is simply not good enough to judge the package by its global arithmetic. The background and manner of presentation do matter. In April the Chancellor announced discretionary tax reliefs of nearly £1bn., conditional on an incomes policy agreement with the TUC. The gamble of taking a risk with the Budget for the sake of incomes policy was widely criticised at the time. But it has failed earlier than the severest sceptics could have expected; and the Chancellor is taking away in the form of tax increases and expenditure cuts, with effect from 1977/78, nearly twice his earlier reliefs. Anyone can make a misjudgment. But instead of admitting it and pondering on the lessons which followed, Mr. Healey presented his policy reversal as if it were a fresh triumph in a preconceived strategy. That the Opposition allowed him to get away with it is neither here nor there.

The economic arithmetic of the package is also looking rather different in the light of some recent Parliamentary Written Answers. A Treasury Minister, Mr. Dennis Davies, dis-

closed on August 2 that the measures would reduce the Gross Domestic Product by a little under 1 per cent. by early 1978. A further answer disclosed that such a reduction would have an ultimate contractionary effect on employment of a little under 1 per cent. This is equivalent to just under 230,000. As the registration rate of workers is estimated at about three-quarters, the ultimate effect on unemployment might be about 170,000. This is a little difficult to reconcile with Mr. Healey's estimate of 60,000 unless he is choosing a period before the package has had its full effect.

These calculations are, however, too unreliable to be worth a row. More revealing is the Written Answer which shows that nearly all the jobs lost are expected to be in the private sector. This is hardly good news when yet another Parliamentary Answer reveals that public sector employment grew by 417,000 in 1975 while private sector employment fell by 509,000. It is a peculiar kind of public spending curb the effects of which are felt almost entirely in the private sector. But a glance at the economic composition of the cuts explains why. They are nearly all on capital spending, net lending, or subsidies and transfers. There is very little reduction in actual employment in the public sector or switch of resources away from it.

Generalised

The moral of the episode applies not only to the Chancellor but to groups such as the Conservative and the CBI, who called in an excessively generalised way for public spending cuts. Now they have learned the hard way that the statistical total of public spending is by no means the same thing as the size of the public sector. Public spending cuts per se do not provide "less government," a more market-oriented economy or even fewer people working in State enterprises; and it is misleading to pretend that these ideas are synonymous.

Trying to err on the safe side

THERE ARE two principal reasons, both intimately connected with the rapid pace of recent inflation, why economic forecasters are hedging their predictions about the force and duration of the business upturn which is now getting under way throughout the industrialised world. The first was spelt out by the Organisation for Economic Co-operation and Development in its recent discussion of the economic outlook for member countries. To achieve its postulated growth rate of 5½ per cent. over the next few years, while continuing to reduce inflation, unemployment and disequilibrium in the balance of payments, there were said to imply extremely prudent and skilful economic management during the period.

There are various particular reasons for this warning, but the overriding reason is that most industrialised countries, even if they have already succeeded in reducing their domestic rate of inflation to something well below that still ruling in this country, are extremely conscious of the danger that inflationary expectations, once aroused to so lively a pitch, can easily be revived. The general consensus of opinion, therefore, is that a deliberate effort should be made to keep the upswing more gradual than has often been the case in cyclical recoveries, thereby reducing the risk of reviving inflation and perhaps prolonging the length of this recovery.

Uncertainties

In such a situation, where all governments are intervening more actively than usual to bring about a certain, abnormal course of affairs, the need for skilful management and the danger of precise forecasting are self-evident. There is even a certain danger that such conscious collaboration, by bringing the business cycles of different countries into closer harmony with one another, will work against its own objectives. But in each country—and this is the other reason for hedging one's bets—there are greater uncertainties than usual in forecasting the course of events.

Spare capacity

While the balance of fiscal policy rests with the normally unpredictable behaviour of Congress, the use of monetary policy as a regulator is made more difficult by the fact that the demand for money itself depends on the present and expected rate of inflation. And the usual measures of idle capacity, which in the U.S. are elsewhere are used as a gauge of the extent to which output can rise without strain, are regarded by the OECD with particular scepticism. Just as structural changes in the composition of the labour force have helped to raise the practical minimum level of unemployment, so structural changes of other sorts have created a situation, according to the OECD, in which the latest Federal Reserve figure of capacity utilisation "certainly overstates" the degree of unused capacity. It is for reasons of this sort that it urges the U.S. to err on the safe side by adopting a slightly more restrictive fiscal policy. Since the same possibility of overstatement exists elsewhere, however, there is a possibility that countries in a stronger position will take such advice too much to heart and move to a weaker position too little.

Tate and Lyle's takeover bid for Manbré and Garton raises questions which are central to the operation of monopoly laws in this country. Colin Jones reports.

Merger to test the fair trade policemen

TATE AND LYLE'S bid for Manbré and Garton has put both the Government and the Office of Fair Trading in something of a spot. Neither the Ministry of Agriculture nor—provisionally—the OFT had seen any real objection to a pooling of the two groups' cane sugar refining interests. Every-

one had agreed that Britain's cane refining capacity would have to be reduced from 1.97m. tons a year to about 1.4m. tons to 1.5m. tons as a result of EEC membership; and a joint company had seemed the best way of handling the messy process of rationalisation.

But, after years of talking, the two groups were no nearer agreement on how it should be done and, as time was running out, Tate and Lyle decided to make an offer for the whole of Manbré, including its starch and glucose interests. This, immediately, added a new dimension to the monopoly policy implications as Mr. Frank Smith, Manbré's chairman and an old hand at take-over battles, was quick to perceive. Indeed, Manbré's response to the Tate and Lyle bid could become a classic demonstration of how fair trading policy can be used by a take-over victim to ward off a predator.

Certainly, from Tate and Lyle's point of view, the bid had a good deal of logic. The group had already identified starch as being the best diversification prospect to offset the declining outlook for cane sugar, and the volatility of commodity

prices. It fitted in well with the group's marketing and research capability and, at the speciality starch and glucose end of the market, it was faster growing and distinctly more profitable. Above all, a Manbré and Garton takeover would consummate the group's earlier forays into the starch and glucose market—the commissioning at the beginning of this year of a small glucose plant on Humberstone, and the purchase in May of a one-third stake in Tunnel Refineries in this country and Amylum in the Netherlands, a purchase which put Tate and Lyle in partnership with Staley Manufacturing, the U.S. starch producer, and the Belgian group CIP.

For the moment, however, the fate of the Tate and Lyle

bid depends not upon the interested groups, including Manbré shareholders but upon Mr. Gordon Borrie, the Director General of Fair Trading. As chairman of the interdepartmental mergers panel, it is his job to advise Mrs. Shirley Williams, the Prices and Consumer Affairs Secretary, whether or not to refer the bid to the Monopolies Commission. The decision whether to refer will be crucial for several reasons. In the first place, this will be the first major proposed merger to have come the OFT's Whitehall with an array of arguments against the proposed merger. A formidable

Secondly, the OFT had group of sugar user trade associations—claiming to represent advance clearance to the Tate

other day, although he did not go on to say why he would be unwilling to defend his proposal before the Commission and, if cleared, go ahead with the bid. In practice, the track record of merger references is not particularly encouraging. Half of all proposed mergers which have been referred in the past six years have been abandoned on the spot—and half of those which were eventually approved by the Commission have never been consummated, so although formally Mr. Borrie is not required to pre-judge the public interest aspects, a very great deal will rest upon his advice.

Indeed, one could say that his "pre-trial hearing"—if one can call it that—will be the decisive stage from the point of view of monopoly policy. He is not to be envied, it must be said. The traditional attitude by U.K. fair trade policy towards mergers is one of neutrality. A reduction in competition has never—up to now, at any rate—been regarded as bad in itself. It depends upon the particular circumstances and upon the overall balance of possible detriments and benefits which might ensue from the proposed merger. In some instances the acquisition of a virtual 100 per cent. monopoly has been upheld while the acquisition of a market share of 50 per cent. or less has been vetoed. It depends upon the resulting competitive structure and upon the likely effects on prices, the pressure for efficiency and innovation, and so forth.

It is not sufficient, therefore, for Manbré to argue that if Tate and Lyle were successful in its bid it would have a dominant position in the industrial market for both sucrose and glucose sweeteners as well as for starch. As it happens, the figures Manbré has been producing are to some extent disputed by other companies in the business. The table therefore shows two different sets of figures for market shares in glucose and starch for next year and as the pattern of final output from integrated sweetening plants (which produce starch and after further processing, modified starches and glucose products) will depend upon the balance of market demand, the differences between the two estimates are perhaps understandable.

The important consideration

STARCHES AND SWEETENERS

Estimated market shares by volume

	Sugar	Glucose	Starch
	1977	1977	1977
	%	%	%
Tate and Lyle	26	24	18
Tunnel	—	—	—
Tunnel Avesse**	—	—	—
Manbré & Garton	44	30	23
Tunnel	15	20	18
Manbré & Garton	59	50	41
British Sugar Corp.	32	—	—
Corn Products	—	31	33
Other (KSH)	—	16	16
Albion (Imports)	9	3	10
Total	100	100	100

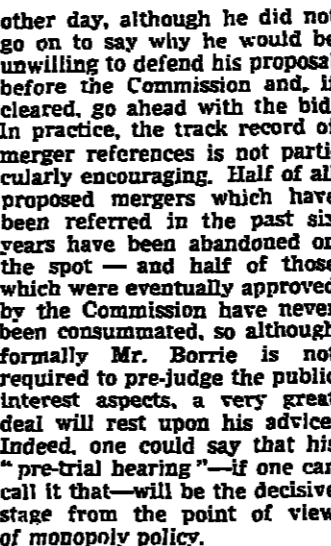
A. Estimates by Manbré and Garton
B. Estimates by another company
* Tate and Lyle has a one-third stake in partnership with Staley Manufacturing (of the U.S.) and the Belgian group C.I.P.
** Jointly owned by Tunnel and the Dutch potato starch cooperative Avesse

and Lyle bid. If this earlier view were now to be reversed, it would be the first occasion in 11 years of merger control in this country on which this has happened. It is, of course, true that advance clearance is never unqualified. Indeed, on this occasion the OFT specifically chose not to commit itself to a view on the starch and glucose aspects of the bid. Nevertheless, Tate and Lyle took this and the absence of objections from the Ministry of Agriculture as indicating that it had been given the green light.

There is one very good reason, however, why the OFT always qualifies its guidance to take-over bidders. It is only after their bids have become public knowledge that the views of their victims and other

sweeteners—have come out against it. And the OFT has been given very good reason for believing that, if the bid should go through, then National Starch, the U.S. starch producer, which is in partnership with Manbré in the U.K. specialised modified starch market, would seriously consider withdrawing for fear that Tate and Lyle's partner in Tunnel, might thereby gain access to its know-how.

Yet were the OFT to decide that Mrs. Williams should after all despatch the Tate and Lyle bid to the Commission, that decision alone would probably be enough to kill it stone dead. Mr. Simon Tate, the chairman of Tate and Lyle's executive committee, said as much the



Mr. Simon Tate of Tate and Lyle (left), Mr. Gordon Borrie of the Office of Fair Trading, and Mr. Frank Smith of Manbré and Garton (right).

is whether the degree of concentration implicit in both sets of figures would have undesirable consequences. The 59 per cent. share of the sugar market which Tate and Lyle would command after a successful acquisition of Manbré—which could fall to 48 per cent. or so by the end of the decade—is unlikely to raise acute doubts.

But this was implicit in the original idea of a joint cane sugar company. A pooling of Tate and Lyle and Manbré interests in this field could ease the employment consequences of rationalisation (though the best solution from an employment point of view would not necessarily be the best from a commercial point of view). It could help to strengthen the U.K. cane sugar refining industry and perhaps enable it to represent its interests more effectively in dealings with its overseas suppliers of raw cane and in battles with the beet sugar lobby in Brussels. It might help to secure economies in resources, especially in production and distribution—though this point is hotly disputed by Manbré (and, incidentally, by the employment argument). Finally, the sugar using industries contain some pretty powerful companies with countervailing muscle of their own.

Reduction in choice

For starch and glucose, on the other hand, the rival arguments are more difficult to resolve. Manbré and user trade associations such as the Cakes and Biscuits Alliance, the Cocoa, Chocolate and Confectionery Alliance, and the Food Manufacturers' Federation have come out strongly against the prospective reduction in users' choice. Most starch and glucose buyers have been accustomed to shopping around, playing off one supplier against another. Moreover, since Corn Products is strongest in 'industrial' starch and paper industries of the north of England and Scotland while the other companies have their plants in the south (apart from Tate and Lyle's new glucose production unit in Yorkshire), the choice of supply in many parts of the country would be largely limited to one major supplier.

Because of transshipment costs (and, at the present time, a change rate changes) import especially in glucose, are a very significant force, the say. Alternative products are few, except in specialist star applications like adhesives. The cost of entering the market for newcomers is formidable. The prospects for high fructose glucose syrup may have been somewhat dimmed by the recent successes of the beet lobby in Brussels, but Tate and Lyle and Manbré together would have a very dominant share of a longer established market of modified starches. Furthermore, according to Manbré and other the U.K.'s access to U.S. starch technology via Manbré's association with National Starch could be forfeited or at least jeopardised.

Against these charges T. and Lyle would doubtless argue that the starch and sweetener businesses are increasingly coming a field for big battalions. Its acquisition of Manbré would consolidate the U.K.'s interest in these two markets as well in cane sugar. The competitive tussle between itself, Corn Products (of the U.S.), and Albion (Dutch), plus the potential of imports (even, for Roquette, say, in glucose would act as a discipline on temptation to abuse dominant market power. If Natio Starch chose to withdraw, T. and Lyle's association with Staley and its own reuse capability would quickly make good the difference. Finally, it is wrong to consider sugar as glucose together; they parallel markets with only relatively modest competition.

Quite where the balance comes between these rival intentions, it is not easy to judge. That is not the point, however. The main consideration is that there would appear to be a scientifically important issue warranting a full merger investigation by the Commission—what makes it all the more unfortunate that Tate and Lyle should be talking of dropping it if it is referred. If Tate convinced that the merger makes sense, it should be very likely to argue its case before the Commission, despite the danger and inconvenience this would cause.

MEN AND MATTERS

Abbott and the 'E' aid

Geoffrey Rippon, you will recall, was Environment Minister in the Conservative Government which brought in the 1973 Industry Act. Now, somewhat ironically, that legislation is being used to help the civil engineering group he headed in the late sixties between Tory administrations—or, more exactly, to help the successor to his old firm.

Rippon was chairman of Holland Hannen and Cubitts before its merger with Drake and Gorham Scull. Caught out with fixed price contracts as inflation roared away, the Holland Hannen side has suffered badly in the last few years. The Drake and Cubitt group earlier this year contracted to sell Holland Hannen to Tarmac and is now getting between £700,000 and £1.75m. in Labour Government aid to ensure the continued existence of the rump of its activities (mostly electrical and mechanical work, a fair proportion in the public sector), and to enable the Tarmac deal to go through.

A somewhat complex story already, further complicated by Drake and Cubitt's largely unhappy involvement with a Belgian subsidiary, which it is now disposing of in a grand reorganisation which includes the State help and completion of the Holland Hannen sale. To cap it all, the group name is being changed back to Drake and Scull, the Scull indicating West Country origins.

Long after Rippon, the Drake and Cubitt chairman for a while (until last autumn) was Robert Potel. According to documents on the present reorganisation, he has a consultancy agreement until 1986 and is the biggest single Ordinary shareholder on the Board. Potel is still a director, being replaced as chairman by Philip Hannen, who because of ill-health gave way four months ago to Michael Abbott.

Morgan's unpaid ad

The old saw about "all publicity is good publicity" is undergoing a severe test in New York at the moment. Morgan Guaranty is one of New York's most respected commercial banks—as a starter it requires clients to maintain a monthly current account of \$2,000—but it has found itself in the embarrassing position of having to deny placing a half-page advertisement for the bank's services in the Far East. The ad, which included a photo of Morgan's Wall Street headquarters and seemed identical to ones seen in more straightforward publications, appeared in a sex weekly edited by one Al Goldstein.

Some broad-minded business people in the city concluded that Morgan was doing a bit of determined trend-setting, but state of emergency and Press censorship designed to gag all non-aligned countries ended in a month after a conference of non-aligned countries in Delhi with the adoption of a Press agencies

Goodnight India

The BBC has decided, with reluctance, to close its office in Delhi. This bland announcement by the BBC yesterday comes just over a year after Mrs. Indira Gandhi, the Indian Prime Minister, introduced a state of emergency and Press censorship designed to gag all non-aligned countries ended in a month after a conference of non-aligned countries in Delhi with the adoption of a Press agencies

pool open to non-aligned countries or any country with no news agency of its own. And it comes too at a time when India's draconian Press laws are now generally regarded as fiercer than those imposed in this country during World War II—although at times the thinking behind the censors is somewhat bewildering. Apparently, the censors recently issued a directive banning news about the arrest in London of an Indian actress accused of shoplifting.

It was during the last war, in fact, that the BBC opened its Delhi office. In 1970 it was closed because the Indian Government was outraged by a film about India by the distinguished French director Louis Malle. In 1972 it was re-opened and Mark Tully was sent out as bureau chief. But since last summer, when Tully was recalled because the BBC was unwilling to abide by the Indian Government's Press censorship rules, the office has been kept open on a care and maintenance basis with an assistant in charge, Prakash Mirchandani, a clerk and a driver.

Under these circumstances, the BBC felt that "it would not be right to maintain the office." It has offered Mirchandani a job at Bush House and has pledged itself to help the clerk and the driver. And it is understood that until censorship is relaxed, the office will stay shut.

The BBC, however, remains hopeful. It concluded yesterday that the BBC believes that Indian affairs remain of great interest to its audiences at home and abroad, and hopes that it will, in future, be able to resume its reporting and programme-making in India.

On board

Card in a Stepany office window: "Woman wanted to sew buttons on second floor."

Observer



Mr. Simon Tate of Tate and Lyle (left), Mr. Gordon Borrie of the Office of Fair Trading, and Mr. Frank Smith of Manbré and Garton (right).

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Mr. Simon Tate of Tate and Lyle (left), Mr. Gordon Borrie of the Office of Fair Trading, and Mr. Frank Smith of Manbré and Garton (right).

VOTING NOTICE

to the holders of European Depositary Receipts for Common Stock of

Trio Kenwood Corporation
(Formerly Trio Electronics Inc.)

DESIGNATED COUPON No. 25

(Action Required on or prior to August 13th, 1976)

Chemical Bank, as Depositary (the "Depositary") under the Deposit Agreement dated as of May 1st, 1970, among Trio Kenwood Corporation (the "Company"), the Depositary and the holders of European Depositary Receipts (the "Receipts"), issued thereunder in respect of shares of Common Stock of the Company, has received notice from the Company that the Company has received notice of a general meeting of stockholders of the Company to be held in Tokyo, Japan, on August 18th, 1976.

The following, taken from the notice of the general meeting to be given by the Company, are the matters to be voted on at such meeting:

1) Approval of Balance Sheet as of May 20, 1976, Business Report, Statement of Profit and Loss and proposed appropriation of undistributed earnings for the 43rd term (November 21, 1975 through May 20, 1976).

Such notice and the report or reports to be delivered in connection therewith, together with English translations of both, will when received, be available for inspection at the office of the Depositary in London and the office of any of the following Sub-Depositaries:

SUB-DEPOSITARIES
Chemical Bank,
Frankfurt/Main, Germany.
Banque Lambert-Luxembourg, S.A.,
Luxembourg City, Luxembourg.
Pierston, Helderling & Pierston,
Amsterdam, The Netherlands.

Voting rights under such Deposit Agreement may be exercised through the Depositary by holders of Coupon No. 25 by completion of the form of proxy instructions for the matters to be voted on. Such form of proxy instructions is available at the office of the Depositary in London or any Sub-Depositary listed above and provides also for instruction to the Depositary to give a discretionary proxy to a person designated by the Company.

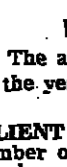
The Depositary will endeavour to vote the Common Stock represented by a Receipt as instructed if such form of proxy instructions, properly completed and accompanied by Coupon No. 25 detached from such Receipts, is received by the Depositary or any such Sub-Depositary on or prior to August 13th, 1976. In the absence of instructions by holders of Coupon No. 25 the Depositary may, in its discretion, give a discretionary proxy to a person designated by the Company, but no representation is made that it will do so. The Depositary is not permitted by such Deposit Agreement to give a discretionary proxy in the absence of instructions from coupon holders with respect to any proposition (1) as to which the Depositary has knowledge of any substantial conflict of interest or (2) for the purpose of authorising a merger, consolidation or any other matter which may affect substantially the rights or privileges of Common Stock or other securities on deposit with the Depositary under such Deposit Agreement.

Dated: August 6th, 1976.

CHEMICAL BANK, as Depositary,
180 Strand,
London, W.C.2.

28th May, 1976, has been established as the record date for the determination of the stockholders of the Company entitled to notice of and to vote at such meeting. All Receipts issued in respect of Common Stock not entitled to vote at such meeting will be without Coupon No. 25 attached.

APPOINTMENTS

		BEPERK <i>(Incorporated in the Republic of South Africa)</i>
FINANCIAL RESULTS FOR 1976 The audited consolidated financial results of the company for the year ended 30th June 1976 are as follows:—		
	1975	1976
SALIENT FEATURES		
Number of shares issued	18,000,000	18,000,000
Per share		
Earnings—before investment transactions	29.8c	33.8c
Earnings—after investment transactions	43.6c	36.4c
Dividends	30.0c	30.0c
Income retained	13.6c	6.4c
Net asset value per share	344c	517c
SUMMARISED CONSOLIDATED INCOME STATEMENT		
	1975	1976
Income from investments	R'000	R'000
Gross income less expenses	5,112	6,033
	(46)	178
Net income before tax and investment transactions	5,666	6,211
Net income after tax before investment transactions	5,370	6,078
Net surplus on investment transactions less tax and provisions	2,487	464
Total surplus	7,857	6,542
Dividends	5,400	5,400
Income retained	2,457	1,142
SUMMARISED CONSOLIDATED BALANCE SHEET		
	1975	1976
	R'000	R'000
Investments	39,691	35,966
Listed	(57,967)	(37,778)
Market value	1,568	1,738
Unlisted	(3,337)	(4,155)
Directors' valuation and buildings	2,420	2,420
Current assets	4,399	3,723
TOTAL ASSETS	47,478	49,897
Current liabilities	5,520	4,436
Long-term liabilities	500	500
Total Liabilities	6,120	4,936
SHAREHOLDERS' EQUITY	41,358	38,961
Market value at 4th August, 1976 of listed shares—R56,781,000		
On behalf of the board, B. COETZER J. de VILLIERS Directors Holland Street, Johannesburg 2001 O. Box 61819, Marshalltown, Tl 2107)		30 August 1976

accounts provide for payment of 10% on the outstanding "Toll's" bankers. These guarantees, not yet called, were valued at \$20,000,000 on July 14.

With the provisions made and the assurance that the directors feel that rationalisation of the unquoted portfolio to meet the altered economic conditions has been secured. As and when the need arises, the company will be ready to avail themselves of specialist investment opportunities in the oil-related sphere.

Mr. Martin Sydney Kind, Chairman of Hill and Co., the newly appointed liquidator.

The chairman and chief executive, Mr. B. Abbott, in a letter to shareholders, says that even though the decision was made from the end of 1973, when the Government made proposals for taxation of development gains and first lettings which caused uncertainty over the decision, the lowered values overnight. Subsequently further problems appeared.

said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any auditor or contributors of the said Company requiring such copy on payment of the regulated charge for the same.

**ASHLEY, KALAIS, TRAVELL
AND CO.**
35 London Road,
Southend-on-Sea,
Essex. SS1 1QQ.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to,

*Application forms are available from
The Chief of Establishments (Recruiting).
Bank of England, London, EC2R 8AH
and should be returned by the 3rd September.
Telephone: 01-601 4618.*

[illegible]

PUBLIC NOTICE

COUNCIL OF THE CITY OF SWANSEA
£375,000 Bills maturing on 3rd November
1975 were offered and issued on 4th August
1975 at a rate of 10 1/4% p.a. Total
proceeds for this issue amounted to
£3,750,000 and there are £375,000 bills
outstanding.

The Speaker will be Mr. Marc Lampert, the International
 Options Consultant for Bache Halsey Stuart.
 5 Burlington Gardens, London W1X 1LE
 01-439 4191
 Please telephone for a seat as space is limited

CORPORATION NV
Investments were awarded tender
£65,000 @ 1 PER CENT
E BONDS OF 1989

first issue April 1, 1978 on the above or the United Arab Emirates, the guarantor is as follows:

The Ministry of Electricity and Water has entered into its collateralized long-term loans and has now reached agreement with the Bank to grant lenders additional facilities.

A meeting of the Bondholders, wherever they may be, will be held by the Extraordinary General Assembly of the Corporation at the Bank's headquarters in London on September 1, 1980, at 10.00 o'clock of the Bank, but the interest on the Bonds shall be payable by the Corporation by the Security Trust Company Limited, registered in England, and incorporated under the laws of the United Kingdom, at the offices of Messrs. Schroder Executors & Trustees Limited, 15 Abchurch Lane, London EC4N 3DF. The Bondholders' request was published at the Trustee's request.

MIDLAND RESOURCES, INC.

CONTRACTS AND TENDERS

UNITED ARAB EMIRATES
MINISTRY OF ELECTRICITY AND WATER
P.O. BOX 1872, DUBAI

The Ministry of Electricity and Water is inviting tenders from interested parties for the following Works:

Tender No. 248/181

33 kV Primary Distribution System Development for East West Corridor of the Northern Emirate of Ajman. The Works include supply and installation of transmission lines, substations, switchgear, etc., as specified including all necessary Civil Works.

Applications for Tender Documents must be made during normal office hours at the Ministry's offices in Dubai in the U.A.E. or at the U.A.E. Embassy in London. Only persons who have had experience in engineering similar projects should apply.

Each tender fee is Dirhams 2,500 if collected in U.A.E. or £300 sterling if collected in London payable in cash only and is not refundable. The tender documents are in four volumes. Volume 1 contains instructions to persons tendering. Forms 1 to 10. Tender Bonds. Agreement and Conditions of Contract. Specific conditions of the contract. Description of project. Summary, Programme Summary and Bill of Materials. Equipment and construction materials specifications will be available for inspection from 1st August 1978 to enable bidders to make necessary preparations for completion of their tenders within the tender period which will not be extended. Requirements for Western Area tenders are included in Volumes 1-4. Requirements for Eastern Area with schedules can be available for collection from 1st September, 1978.

The tender documents shall be available free of charge until 31st October 1978.

Tenders must be accompanied by a Bid bond in the form of an undated irrevocable guarantee of Dh.2,500,000/- (Two Million five hundred thousand Dirhams) valid for 120 days. The successful tenderer will be required to reduce this with the performance bond equal to 10 percent of the Contract sum for the period of the contract. The tender documents must be complete and submitted in quadruplicate each enclosed in sealed plain envelopes not bearing any identification or indication of the name of the tenderer, and placed in the envelope only on the outside with the Tender number "TENDER NO. 248/181 PRIMARY DISTRIBUTION SYSTEM".

Tender Valuers return so days.
Four copies shall be addressed and delivered to:

H. E. Excellence The Chairman,
The Permanent Committee for Projects,
Ministry of Electricity and Water,
P.O. Box 2847,
Dubai, U.A.E.

Tenders must be received not later than 12.00 hours on 24th October 1978.
At 2.00 p.m. there will be a complimentary visit to the Tender document.

A BIN HUMAYD A. QASSIMI
MINISTER

A large engineering group with an impressive growth record is looking for an exceptional top level executive to be responsible for the Group's finance function.

The Group's activities include the manufacture and marketing of specialised machinery, process plant contracting, and industrial services. Established a hundred years ago, its expansion world wide in recent years has been achieved by internal growth and by acquisition and this will continue.

The person appointed will already hold a senior finance position in a dynamic industrial environment. He or she will be a qualified accountant and, probably, a university graduate. He or she will be from 35 to 55 years old.

Candidates should be able to demonstrate suitable experience of raising and controlling large funds, acquisitions and mergers, corporate planning and the motivation and guidance of senior financial staff.

Write in confidence, quoting reference 2615/L to: E.M. Nell,

Peat, Marwick Mitchell & Co.,
Management Consultants,
11 Ironmonger Lane,
London, EC2V 8AX.

SEMINARS

SEMINAR

The American Options Market

Utilisation of Options in Investment Strategy

The London Office of Bache Halsey Stuart, Inc. will be giving a Seminar on Tuesday, August 10th at 10.30 a.m. on the subject of Options.

The Speaker will be Mr. Marc Lampell, the International Options Consultant for Bache Halsey Stuart.

5 Burlington Gardens, London W1X 1LE
01-439 4191

Please telephone for a seat as space is limited

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Interim Deutsche Bank profits below 1975 level

BY GUY HAWTIN

FRANKFURT, August 5.



Franz Ulrich, Supervisory Board chairman.

By June 30 the Deutsche Bank's credit volume totalled DM35bn, some DM1.7bn above the figure at the end of last year. An improvement in industrial credit demand, first noticed in April, had strengthened substantially by the end of June. These figures do not include guarantee and letter of credit business, which by the end of the first half, were up 23.4 per cent to DM15bn.

Liabilities to other credit institutes declined strongly during the first half-year while deposits by non-banking customers remained at about the same level as in the first half of the previous year. Savings deposits rose by DM750m to DM17.4bn, despite a substantial slow-down in the national savings rate.

Since the end of last year the group's balance sheet total has risen by DM3.2bn to DM94.7bn (£21.04bn) while the business volume of the group has gone up from DM91.7bn to DM94.9bn (£21.09bn). This was attributed to the development of business in the Deutsche Bank itself, its Luxembourg subsidiary and its two mortgage bank subsidiaries. Group credit volume went up by DM2.8bn, to DM68bn (£16.1bn).

Columbia Insurance directors arrested

BY ANTHONY ROBINSON

ROME, August 5.

THE FORMER chairman and the managing director of the Columbia Assicurazioni Insurance Company and its subsidiary La Centrale have been arrested on charges of fraudulent bankruptcy which introduced compulsory liquidation of the company and a series of other offences. The charges are of alleged falsification of accounts and the preparation of false balance-sheets. The arrests follow investigation into the company by the original cash manager, the company by the Ministry of Industry which had received thousands of complaints from car insurance policy holders about the lengthy delays or non-payment of claims.

According to investigations by the Ministry of Industry, Columbia with social security payments for its 1,000 employees, and owes on their automobile insurance around £10bn. In unsettled accounts, many of the smaller companies have been declared bankrupt.

Marra directors resist shareholders' criticisms

BY JAMES FORTH

SYDNEY, August 5.

DIRECTORS of Marra Developments successfully beat off an attack from a shareholders' action group at an extraordinary meeting in Sydney today.

The action group had requested the meeting seeking to put a stop to the Board's policy of selling Pastoral Properties, the removal of a director, Mr. John Darling, and more information on past service agreements.

More than 200 shareholders attended the meeting and were strongly behind the action group. The Board comfortably won the day when polls were called and the votes counted.

Marra has been the centre of discussion since 1974 when the company merged with another pastoralist, Scottish Australian Holdings, which was fighting a takeover offer from Tiers Pty. Last year the company announced a \$42m operating loss, which swelled to \$428.5m.

Carron Company (Holdings) Limited

Interim Statement

The unaudited profit for the six months to 30 June 1976 is £807,000, on a turnover of £11,100,000.

This shows a considerable improvement on the figure I reported in my statement last year, and at the moment I see no reason why the improvement should not continue into the second half of 1976. The announced cuts in Government and Local Authority spending, particularly those associated with domestic house building, could affect us in 1977, but efficiency in the works continues to improve, as will be noticed from the return on turnover in 1976 as compared with 1975.

Your directors have declared an interim dividend being the same as last year, 6.17% (15.42p per share) payable on 1 December 1976, to shareholders on the register on 15 November 1976.

INTERIM STATEMENT FOR HALF-YEAR ENDED 30 JUNE 1976

	Six months to 30 June 1976	1975	Year to 31 December 1975
(1) Turnover	£11,100,000	£10,400,000	£20,838,000
(2) Profit before Taxation	607,000	403,000	834,558
(3) Taxation Estimated	316,000	198,000	413,583
(4) Profit after Taxation	291,000	205,000	421,000
(5) Interim Dividend	6.17% net	6.17% net	
(6) Amounts of (4) absorbed by Dividend	129,528	129,528	301,056
(7) Earnings per share (pence per share)	3.46	2.44	5.01

R. C. Wilson Bennetts,
Chairman and Managing Director,
Carron Company (Holdings) Limited

5 August 1976

CARRON, FALKIRK, STIRLINGSHIRE

Brazil setting up new company framework

BY DAVID WHITE

RIO DE JANEIRO, August 5.

TWO BILLS submitted to the Brazilian Congress for debate this week aim to provide a new framework for joint stock companies, protect the interests of the small shareholder, and fortify a private sector which has in recent years been overshadowed by the growth of big State interests.

New law

A new company law for the "sociedade anonima" has been on the drawing board for over a year and Senator Henrique Simonsen made clear that the present version, which President Geisel has sent to Congress, is not necessarily the final one. The law is designed among other things, to guarantee a fair share of profits to minority shareholders in big companies, and to stimulate small and medium-sized enterprises.

Although there is no fixed number set for directors, companies, shareholders of companies already in operation have the right to cash in their shares if the level drops below 25 per cent of net profits, under the draft law.

The Bill sets no minimum capital requirements, and reduces the minimum number of shareholders to two—provisions which are explained as an encouragement to small companies in a project which is essentially designed to provide a basis for large open-capital ventures, able to compete with foreign and nationalised enterprises.

The proportion of preference shares permitted in a company's total capital is increased under the Bill to two-thirds from half, but this allowance includes all non-voting stock, or stock on which voting rights are limited.

In his presentation of the Bill, Sr. Simonsen said that moves to strengthen stock markets were "indispensable for the survival of private business in the present phase of the Brazilian economy."

A second Bill provides for a new securities commission, linked to the finance ministry, to monitor the handling of share issues and dealings. More stringent rules will be set for the publication of financial data.

The long-awaited bills have been generally well received by business circles and injected fresh spirit into the leading markets of Rio de Janeiro and Sao Paulo, after a quiet few weeks. The Rio stock index rose yesterday by 3.4 per cent, relatively heavy turnover of 35m shares.

Denmark signs biggest ever foreign loan

BY MILYAR BARNES

COPENHAGEN, August 5.

MINISTER OF Finance, Knud Heinesen, today signed the Government's biggest ever foreign loan amounting to DM750m.

It is a private placement in the German and international markets. The consortium which placed the loan was headed by Westdeutsches Landesbank Girozentral.

The private placement will be supplemented next week by a DM100m bond issue.

To-day's loan is in fact made up of several smaller placements. The maximum period of any loan is ten years and the loans carry an average interest rate of 9.3 per cent. They are all in fixed terms.

The deutschmark loans Kr.84bn.

The loans are being used to finance the country's chronic current balance of payments deficit, which reached an estimated record Kr.6bn. in the first half of this year. Although earlier borrowings will cover this year's deficit, which will probably amount to about Kr.9bn., the Government was anxious to ensure that there was something in the kitty to cover next year's deficit, which the Government hopes to bring down to about Kr.4bn.

Mercantile profits up by a third

BY OUR OWN CORRESPONDENT

MERCANTILE CREDITS, the £250m group, boosted its profits by 33 per cent to \$43.2m in 1975-76 despite a slight dip in revenue at \$435.5m. The dividend is raised from 5 cents a share to 7 cents, almost restoring the 7.5 cents paid in 1974. The result equals 7 cents a share against 7 cents in the previous year.

Lower interest rates during the year assisted the company

Fls.18m. loss at Van Gelder

By Michael Van Os

AMSTERDAM, August 5.

VAN GELDER, the leading Dutch paper manufacturer, has reported a loss of Fls.18.2m. in the first half of this year after having made a loss of Fls.25.2m. in 1975. Last year's first half had still shown a very marginal profit of Fls.0.4m.

The company attributed the heavy loss to the general decline in the paper business following the economic setbacks. It had already warned that the present year would inevitably be again one of major losses, despite the improvement of business in the second half of this year. It stated today that production capacity utilisation in the first half of this year had been clearly better than in the same period last year, but prices of the various products still left much to be desired.

Van Gelder, in which the U.S. Crown Zellerbach Company has a 50 per cent interest, also stated that its sales had increased somewhat, to reach Fls.458.6m. in January-June from Fls.408.2m. last year.

ISE issue raised

THE TOTAL amount of the ISE Canadian finance two-part issue was increased to \$5.5m. from \$4m. Kuhn Loeb and Co. International said as issue.

The issue comprises \$3.5m. of ten per cent debentures due 1986 and \$2m. of 9 1/2 per cent notes due 1982 both priced at par. Reuter reports from London.

Originally \$20m. each of debentures and notes were planned.

PUK sales rise

PECHINEY Ugine Kuhlmann (PUK) consolidated turnover for the first six months of this year totalled Fr.11,025bn.—an increase of 15 per cent.

The growth rate of sales accelerated as the half wore on, with an increase of 8.5 per cent seen at the end of March and of 12 per cent at the end of May, AP-DJ reports from Paris.

The progression was greatest in PUK's aluminium sector, where turnover rose from Fr.3,107m. to Fr.3,853bn.

The slowest-moving sector was steel and electrometallurgy, turnover rising by 1.9 per cent.

IBM Italia boost

IBM ITALIA net income rose to L.30,677m. (24.3m.). Of the income, L.1.6bn. was placed in regular reserves, 3bn. in a special reserve fund and 28,070m. paid to shareholders as a dividend of L.42,450 for each of the 600,000 shares outstanding.

The 1974 dividend figure was not available.

De Beers Indust. rights issue

BY RICHARD ROLFE

JOHANNESBURG, August 5.

DE BEERS INDUSTRIAL Corporation, 60 per cent owned by De Beers, is to have a rights issue in order to follow its interest in the chemicals and explosives producer AECI, which in turn is raising \$35m. in new equity capital from shareholders. Debeers holds a direct and indirect interest of 39 per cent in AECI and is therefore committed to find \$32m. to follow its stake.

A total of R15m. will be raised in the public issue in South Africa. Preference shares bearing a rather low coupon of 12.25 per cent, and R18m. will be sought from shareholders registered on August 27 by way of an ordinary rights issue.

While details of the rights issue have not yet been announced, it seems likely that the issue will be pitched at 700c, with the current price at 700c, and R18m. will be sought from shareholders registered on August 27 by way of an ordinary rights issue.

The company has announced a moderate improvement in its performance for the half-year to June. Taxable profits rose to R533m. from R506m.

The interim has been raised by 10c to 32.5c to bring it into line with the final, which is expected to be 32.5c to make a total for the year of 65c against 62.5c in 1975.

The directors say that agreement in principle has been reached with AECI to acquire the entire issued capital of SA Nylon Spinners. Should the agreement be put into effect, Debeers will receive AECI shares in exchange for its Nylon Spinners, but these will not qualify for the AECI interim declared on July 22.

While the new shares will not qualify for the dividend, Debeers' earnings per share on the weighted average equity capital for the full year to December are expected to be slightly higher than last year, largely because of the higher interim for AECI.

AT THE SOUTH AFRICAN COMMERCE, the shares at 700c, which is 35 per cent owned by Union Corporation, has produced record profits for the six months ended June 30 despite

Sales gain at Ahlsel

TOTAL SALES of Ahlsel Ode Aggre—one of Sweden's leading trading companies—rose by Kr.54m. to Kr.1,88m. (232m.) during the financial year 1975/76, compared with Kr.1,77m. during the previous year. Income before appropriations and taxes showed a decline from Kr.11.3m. during 1974/75 to Kr.6.2m. (7.5m.) in 1975/76. The company proposes to raise the dividend from Kr.5.50 to Kr.6 per share, writes John Walker from Stockholm.

The main divisions in the group are plumbing and heating, steel and metal, and industrial raw materials. The downturn in the European building and construction has had an adverse effect on the group's trading.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS					
STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Alcan 4 1/2% 1986	103	104	American Express 4 1/2% 87	82	84
Amstar 4 1/2% 1985	104	105	Amstar 4 1/2% 1986	82	84
Bayer 4 1/2% 1985	104	105	Bealco 4 1/2% 1986	82	84
Celanese 4 1/2% 1986	104	105	Bealco 4 1/2% 1987	82	84
CFE 4 1/2% 1985	104	105	Borden 4 1/2% 1987	82	84
CEC 4 1/2% 1985	104	105	Borden 4 1/2% 1988	82	84
STB 4 1/2% 1985	104	105	Cardinal 4 1/2% 1987	82	84
STB 4 1/2% 1986	104	105	Cardinal 4 1/2% 1988	82	84
STB 4 1/2% 1987	104	105	Cardinal 4 1/2% 1989	82	84
STB 4 1/2% 1988	104	105	Cardinal 4 1/2% 1990	82	84
STB 4 1/2% 1989	104	105	Cardinal 4 1/2% 1991	82	84
STB 4 1/2% 1990	104	105	Cardinal 4 1/2% 1992	82	84
STB 4 1/2% 1991	104	105	Cardinal 4 1/2% 1993	82	84
STB 4 1/2% 1992	104	105	Cardinal 4 1/2% 1994	82	84
STB 4 1/2% 1993	104	105	Cardinal 4 1/2% 1995	82	84
STB 4 1/2% 1994	104	105	Cardinal 4 1/2% 1996	82	84
STB 4 1/2% 1995	104	105	Cardinal 4 1/2% 1997	82	84
STB 4 1/2% 1996	104	105	Cardinal 4 1/2% 1998	82	84
STB 4 1/2% 1997	104	105	Cardinal 4 1/2% 1999	82	84
STB 4 1/2% 1998	104	105	Cardinal 4 1/2% 2000	82	84
STB 4 1/2% 1999	104	105	Cardinal 4 1/2% 2001	82	84
STB 4 1/2% 2000	104	105	Cardinal 4 1/2% 2002	82	84
STB 4 1/2% 2001	104	105	Cardinal 4 1/2% 2003	82	84
STB 4 1/2% 2002	104	105	Cardinal 4 1/2% 2004	82	84
STB 4 1/2% 2003	104	105	Cardinal 4 1/2% 2005	82	84
STB 4 1/2% 2004	104	105	Cardinal 4 1/2% 2006	82	84
STB 4 1/2% 2005	104	105	Cardinal 4 1/2% 2007	82	84
STB 4 1/2% 2006	104	105	Cardinal 4 1/2% 2008	82	84
STB 4 1/2% 2007	104	105	Cardinal 4 1/2% 2009	82	84
STB 4 1/2% 2008	104	105	Cardinal 4 1/2% 2010	82	84
STB 4 1/2% 2009	104	105	Cardinal 4 1/2% 2011	82	84
STB 4 1/2% 2010	104	105	Cardinal 4 1/2% 2012	82	84
STB 4 1/2% 2011	104	105	Cardinal 4 1/2% 2013	82	84
STB 4 1/2% 2012	104	105	Cardinal 4 1/2% 2014	82	84
STB 4 1/2% 2013	104	105	Cardinal 4 1/2% 2015	82	84
STB 4 1/2% 2014	104	105	Cardinal 4 1/2% 2016	82	84
STB 4 1/2% 2015	104	105	Cardinal 4 1/2% 2017	82	84
STB 4 1/2% 2016	104	105	Cardinal 4 1/2% 2018	82	84
STB 4 1/2% 2017	104	105	Cardinal 4 1/2% 2019	82	84
STB 4 1/2% 2018	104	105	Cardinal 4 1/2% 2020	82	84
STB 4 1/2% 2019	104	105	Cardinal 4 1/2% 2021	82	84
STB 4 1/2% 2020	104	105	Cardinal 4 1/2% 2022	82	84
STB 4 1/2% 2021	104	105	Cardinal 4 1/2% 2023	82	84
STB 4 1/2% 2022	104	105	Cardinal 4 1/2% 2024	82	84
STB 4 1/2% 2023	104	105	Cardinal 4 1/2% 2025	82	84
STB 4 1/2% 2024	104	105	Cardinal 4 1/2% 2026	82	84
STB 4 1/2% 2025	104	105	Cardinal 4 1/2% 2027	82	84
STB 4 1/2% 2026	104	105	Cardinal 4 1/2% 2028	82	84
STB 4 1/2% 2027	104	105	Cardinal 4 1/2% 2029	82	84
STB 4 1/2% 2028	104	105	Cardinal 4 1/2% 2030	82	84
STB 4 1/2% 2029	104	105	Cardinal 4 1/2% 2031	82	84
STB 4 1/2% 2030	104	105	Cardinal 4 1/2% 2032	82	84
STB 4 1/2% 2031	104	105	Cardinal 4 1/2% 2033	82	84
STB 4 1/2% 2032	104	105	Cardinal 4 1/2% 2034	82	84
STB 4 1/2% 2033	104	105	Cardinal 4 1/2% 2035	82	84
STB 4 1/2% 2034	104	105	Cardinal 4 1/2% 2036	82	84
STB 4 1/2% 2035	104	105	Cardinal 4 1/2% 2037	82	84
STB 4 1/2% 2036	104	105	Cardinal 4 1/2% 2038	82	84
STB 4 1/2% 2037	104	105	Cardinal 4 1/2% 2039	82	84
STB 4 1/2% 2038	104	105	Cardinal 4 1/2% 2040	82	84
STB 4 1/2% 2039	104	105	Cardinal 4 1/2% 2041	82	84
STB 4 1/2% 2040	104	105	Cardinal 4 1/2% 2042	82	84
STB 4 1/2% 2041	104	105	Cardinal 4 1/2% 2043	82	84
STB 4 1/2% 2042	104	105	Cardinal 4 1/2% 2044	82	84
STB 4 1/2% 2043	104	105	Cardinal 4 1/2% 2045	82	84
STB 4 1/2% 2044	104	105	Cardinal 4 1/2% 2046	82	84
STB 4 1/2% 2045	104	105	Cardinal 4 1/2% 2047	82	84
STB 4 1/2% 2046	104	105	Cardinal 4 1/2% 2048	82	84
STB 4 1/2% 2047	104	105	Cardinal 4 1/2% 2049	82	84
STB 4 1/2% 2048	104	105	Cardinal 4 1/2% 2050	82	84
STB 4 1/2% 2049	104	105	Cardinal 4 1/2% 2051	82	84
STB 4 1/2% 2050	104	105	Cardinal 4 1/2% 2052	82	84
STB 4 1/2% 2051	104	105	Cardinal 4 1/2% 2053	82	84
STB 4 1/2% 2052	104	105	Cardinal 4 1/2% 2054	82	84
STB 4 1/2% 2053	104	105	Cardinal 4 1/2% 2055	82	84
STB 4 1/2% 2054	104	105	Cardinal 4 1/2% 2056	82	84
STB 4 1/2% 2055	104	105	Cardinal 4 1/2% 2057	82	84
STB 4 1/2% 2056	104	105	Cardinal 4 1/2% 2058	82	84
STB 4 1/2% 2057	104	105	Cardinal 4 1/2% 2059	82	84
STB 4 1/2% 2058	104	105	Cardinal 4 1/2% 2060	82	84
STB 4 1/2% 2059	104	105	Cardinal 4 1/2% 2061	82	84
STB 4 1/2% 2060	104	105	Cardinal 4 1/2% 2062	82	84
STB 4 1/2% 2061	104	105	Cardinal 4 1/2% 2063	82	84
STB 4 1/2% 2062	104	105	Cardinal 4 1/2% 2064	82	84
STB 4 1/2% 2063	104	105	Cardinal 4 1/2% 2065	82	84
STB 4 1/2% 2064	104	105	Cardinal 4 1/2% 2066	82	84
STB 4 1/2% 2065	104	105	Cardinal 4 1/2% 2067	82	84
STB 4 1/2%					

STOCK EXCHANGE REPORT

Leaders drift lower after early small improvement

Index down 2.2 at 371.0, after 374.8—Gilts harden further

Account Dealing Dates

Option
First Declara- Last Account
Dealings Dealing Day
July 26 Aug. 5 Aug. 6 Aug. 17
Aug. 9 Aug. 19 Aug. 20 Sep. 1
Aug. 22 Sept. 2 Sept. 3 Sept. 14

* New time "dealings" may take place from 9.30 a.m. two business days earlier.

Stock markets put on an uninspiring performance yesterday after the recent good recovery movement. British funds managed to make a little further headway, closing with fresh gains extending to 1. Short-dated issues, however, were slightly lower than the late afternoon session was uneventful but the small gains were held until the short-term market was unresponsive to fresh offerings and the premium fell to 98 1/2 per cent. before rallying to close a net two points lower at 97 1/2 per cent. Yesterday's SE conversion factor was 0.7319 (0.7260).

Among Recent Equities, Molins, 100p, and Thomas Borthwick, 70p, both recovered a penny or more, but Hambro Life Assurance, after the recent rally, moved down to 21 1/2p. Tolax SA, 28p, was also a loser.

Although the disturbances in Soweto were still very much in the background, a further reaction in gold shares was attributed to a fall in the dollar premium and a loss of 81 to 81 1/2 pence per ounce in the Gold Mines index.

Option

The day was hardly an inspiring one for gilt-edged but at least the market fairly managed small fresh gains which extended to 3 among high-coupon long. The opening tendency was marginally firmer but in the absence of any follow-through to Wednesday's rally, before quotations began edging forward again just after mid-day. Much of the afternoon session was uneventful but the small gains were held until the short-term market was unresponsive to fresh offerings and the premium fell to 98 1/2 per cent. before rallying to close a net two points lower at 97 1/2 per cent. Yesterday's SE conversion factor was 0.7319 (0.7260).

Conditions became slightly more active in investment currency, but the market was unresponsive to fresh offerings and the premium fell to 98 1/2 per cent. before rallying to close a net two points lower at 97 1/2 per cent. Yesterday's SE conversion factor was 0.7319 (0.7260).

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FINANCIAL TIMES STOCK INDICES

	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Year
Government Secs.	62.50	62.90	61.97	61.90	61.97	63.00
Fixed Interest	61.77	61.78	61.40	61.37	61.66	61.57
Industrial Ordinary	371.0	373.2	368.4	367.1	365.9	371.6
Gold Mines	101.0	100.2	107.9	110.5	113.7	113.9
Ord. Div. Yield	8.97	8.94	8.01	8.02	8.02	8.93
Earnings Yld (all)	17.58	17.26	17.48	17.51	17.53	17.21
P/E Ratio (all)	8.52	8.57	8.47	8.46	8.45	8.56
Debt/Equity Ratio	4.406	4.407	4.450	4.453	4.453	4.453
Equity Turnover	46.80	46.87	46.89	46.89	46.89	46.89
Equity Dividend	11.297	11.749	10.606	10.606	10.606	10.606
10 A.M. 1976	11 A.M. 1976	11 A.M. 1976	11 A.M. 1976	11 A.M. 1976	11 A.M. 1976	11 A.M. 1976
2 M. 1976	2 M. 1976	2 M. 1976	2 M. 1976	2 M. 1976	2 M. 1976	2 M. 1976
Latest Index	371.0	374.8	374.8	374.8	374.8	374.8

(a) Based on 32 per cent. corporation tax. (b) Nil = 8.45.
Based on 100 pence. (c) 100 pence. (d) 100 pence. (e) 100 pence.
Times 12.35. SE Activity July-Dec. 1976.

HIGHS AND LOWS

	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1
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[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Healey & Baker
 29 St. George Street, Hanover Square,
 London W1A 3SG
 Tel: 01-629 9292
 City of London
 Associated Offices: PARIS, BRUSSELS, AMSTERDAM, ANTWERP

FT SHARE INFORMATION SERVICE

ROTELS—Continued

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Grand Hotel	100	0.0	100	98	Grand Hotel	100	0.0
100	98	Hotel de Ville	100	0.0	100	98	Hotel de Ville	100	0.0
100	98	Hotel de Ville	100	0.0	100	98	Hotel de Ville	100	0.0
100	98	Hotel de Ville	100	0.0	100	98	Hotel de Ville	100	0.0
100	98	Hotel de Ville	100	0.0	100	98	Hotel de Ville	100	0.0

INDUSTRIALS

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	AAI	100	0.0	100	98	AAI	100	0.0
100	98	AAI	100	0.0	100	98	AAI	100	0.0
100	98	AAI	100	0.0	100	98	AAI	100	0.0
100	98	AAI	100	0.0	100	98	AAI	100	0.0
100	98	AAI	100	0.0	100	98	AAI	100	0.0

ENGINEERING—Continued

DRAPERY AND STORES—Continued

BUILDING INDUSTRY—Continued

CANADIANS

BRITISH FUNDS

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	British Funds	100	0.0	100	98	British Funds	100	0.0
100	98	British Funds	100	0.0	100	98	British Funds	100	0.0
100	98	British Funds	100	0.0	100	98	British Funds	100	0.0
100	98	British Funds	100	0.0	100	98	British Funds	100	0.0
100	98	British Funds	100	0.0	100	98	British Funds	100	0.0

BANKS AND PRICE PURCHASE

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Banks and Price Purchase	100	0.0	100	98	Banks and Price Purchase	100	0.0
100	98	Banks and Price Purchase	100	0.0	100	98	Banks and Price Purchase	100	0.0
100	98	Banks and Price Purchase	100	0.0	100	98	Banks and Price Purchase	100	0.0
100	98	Banks and Price Purchase	100	0.0	100	98	Banks and Price Purchase	100	0.0
100	98	Banks and Price Purchase	100	0.0	100	98	Banks and Price Purchase	100	0.0

ELECTRICAL AND RADIO

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Electrical and Radio	100	0.0	100	98	Electrical and Radio	100	0.0
100	98	Electrical and Radio	100	0.0	100	98	Electrical and Radio	100	0.0
100	98	Electrical and Radio	100	0.0	100	98	Electrical and Radio	100	0.0
100	98	Electrical and Radio	100	0.0	100	98	Electrical and Radio	100	0.0
100	98	Electrical and Radio	100	0.0	100	98	Electrical and Radio	100	0.0

CHEMICALS, PLASTICS

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Chemicals, Plastics	100	0.0	100	98	Chemicals, Plastics	100	0.0
100	98	Chemicals, Plastics	100	0.0	100	98	Chemicals, Plastics	100	0.0
100	98	Chemicals, Plastics	100	0.0	100	98	Chemicals, Plastics	100	0.0
100	98	Chemicals, Plastics	100	0.0	100	98	Chemicals, Plastics	100	0.0
100	98	Chemicals, Plastics	100	0.0	100	98	Chemicals, Plastics	100	0.0

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Engineering, Machine Tools	100	0.0	100	98	Engineering, Machine Tools	100	0.0
100	98	Engineering, Machine Tools	100	0.0	100	98	Engineering, Machine Tools	100	0.0
100	98	Engineering, Machine Tools	100	0.0	100	98	Engineering, Machine Tools	100	0.0
100	98	Engineering, Machine Tools	100	0.0	100	98	Engineering, Machine Tools	100	0.0
100	98	Engineering, Machine Tools	100	0.0	100	98	Engineering, Machine Tools	100	0.0

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Food, Groceries, Etc.	100	0.0	100	98	Food, Groceries, Etc.	100	0.0
100	98	Food, Groceries, Etc.	100	0.0	100	98	Food, Groceries, Etc.	100	0.0
100	98	Food, Groceries, Etc.	100	0.0	100	98	Food, Groceries, Etc.	100	0.0
100	98	Food, Groceries, Etc.	100	0.0	100	98	Food, Groceries, Etc.	100	0.0
100	98	Food, Groceries, Etc.	100	0.0	100	98	Food, Groceries, Etc.	100	0.0

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Cinemas, Theatres and TV	100	0.0	100	98	Cinemas, Theatres and TV	100	0.0
100	98	Cinemas, Theatres and TV	100	0.0	100	98	Cinemas, Theatres and TV	100	0.0
100	98	Cinemas, Theatres and TV	100	0.0	100	98	Cinemas, Theatres and TV	100	0.0
100	98	Cinemas, Theatres and TV	100	0.0	100	98	Cinemas, Theatres and TV	100	0.0
100	98	Cinemas, Theatres and TV	100	0.0	100	98	Cinemas, Theatres and TV	100	0.0

BUILDING INDUSTRY, TIMBER

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Building Industry, Timber	100	0.0	100	98	Building Industry, Timber	100	0.0
100	98	Building Industry, Timber	100	0.0	100	98	Building Industry, Timber	100	0.0
100	98	Building Industry, Timber	100	0.0	100	98	Building Industry, Timber	100	0.0
100	98	Building Industry, Timber	100	0.0	100	98	Building Industry, Timber	100	0.0
100	98	Building Industry, Timber	100	0.0	100	98	Building Industry, Timber	100	0.0

AMERICANS

High	Low	Stock	Price	%	High	Low	Stock	Price	%
100	98	Americans	100	0.0	100	98	Americans	100	0.0
100	98	Americans	100	0.0	100	98	Americans	100	0.0
100	98	Americans	100	0.0	100	98	Americans	100	0.0
100	98	Americans	100	0.0	100	98	Americans	100	0.0
100	98	Americans	100	0.0	100	98	Americans	100	0.0

Conversion factor 0.719 (1/1.405)

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MINES—Continue[illegible]

O.F.S.

170	70	Free State Dec 50c	70	70	0%	1.3
950	630	F & C Gould 50c	912	-13	0%	1.3
200	57	F & K Soapbox RI	94	4	0%	1.3
485	270	Farmco 50c	270	-2	0%	0.5
189	189	Flora RI	94	-2	0%	1.3
218	940	Pro - Broad 50c	900	-25	0%	2.2
613	540	Pro - Stern 50c	540	-20	0%	1.3
900	875	St. Helena RI	875	0%	0%	1.7
174	78	Unrel	82	+2	0%	1.2
330	245	Weston 50c	245	-20	0%	1.2
225	612	% Holdings 50c	612	0%	0%	1.2

FINANCE
 Eng. Am. Coal. Co. 395

75	210	Ang. Am.	215	+5	Q13	1.9
76	210	Am. Un. Gold RI	215	+5	Q13	1.9
77	210	Ang. Am.	215	+5	Q13	1.9
78	210	Ang. Am.	215	+5	Q13	1.9
79	210	Ang. Am.	215	+5	Q13	1.9
80	210	Ang. Am.	215	+5	Q13	1.9
81	210	Ang. Am.	215	+5	Q13	1.9
82	210	Ang. Am.	215	+5	Q13	1.9
83	210	Ang. Am.	215	+5	Q13	1.9
84	210	Ang. Am.	215	+5	Q13	1.9
85	210	Ang. Am.	215	+5	Q13	1.9
86	210	Ang. Am.	215	+5	Q13	1.9
87	210	Ang. Am.	215	+5	Q13	1.9
88	210	Ang. Am.	215	+5	Q13	1.9
89	210	Ang. Am.	215	+5	Q13	1.9
90	210	Ang. Am.	215	+5	Q13	1.9
91	210	Ang. Am.	215	+5	Q13	1.9
92	210	Ang. Am.	215	+5	Q13	1.9
93	210	Ang. Am.	215	+5	Q13	1.9
94	210	Ang. Am.	215	+5	Q13	1.9
95	210	Ang. Am.	215	+5	Q13	1.9
96	210	Ang. Am.	215	+5	Q13	1.9
97	210	Ang. Am.	215	+5	Q13	1.9
98	210	Ang. Am.	215	+5	Q13	1.9
99	210	Ang. Am.	215	+5	Q13	1.9
100	210	Ang. Am.	215	+5	Q13	1.9
101	210	Ang. Am.	215	+5	Q13	1.9
102	210	Ang. Am.	215	+5	Q13	1.9
103	210	Ang. Am.	215	+5	Q13	1.9
104	210	Ang. Am.	215	+5	Q13	1.9
105	210	Ang. Am.	215	+5	Q13	1.9
106	210	Ang. Am.	215	+5	Q13	1.9
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122	210	Ang. Am.	215	+5	Q13	1.9
123	210	Ang. Am.	215	+5	Q13	1.9
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131	210	Ang. Am.	215	+5	Q13	1.9
132	210	Ang. Am.	215	+5	Q13	1.9
133	210	Ang. Am.	215	+5	Q13	1.9
134	210	Ang. Am.	215	+5	Q13	1.9
135	210	Ang. Am.	215	+5	Q13	1.9
136	210	Ang. Am.	215	+5	Q13	1.9
137	210	Ang. Am.	215	+5	Q13	1.9
138	210	Ang. Am.	215	+5	Q13	1.9
139	210	Ang. Am.	215	+5	Q13	1.9
140	210	Ang. Am.	215	+5	Q13	1.9
141	210	Ang. Am.	215	+5	Q13	1.9
142	210	Ang. Am.	215	+5	Q13	1.9
143	210	Ang. Am.				

DIAMOND AND PLAT

132	137	Ample Am. Inc. Life	128	1	62.54c	1.0
122	68	Richmond Filt. Life	99	---	66.54c	1.0
135	148	The Deers 1st Sec.	199	+1	63.32c	1.2
138	850	Deers 1st Sec.	181	---	43.00c	1.5
128	69	Hydramat 12.5c	---	---	74.92c	1.0
207	108	Pet. Plate 2.5c	135	+5	64.55c	1.0
169	90	Union Plant. Inc.	132	+	64.96c	1.0
176	88	Waterfall Sec.	134	+	44.53c	1.0

CENTRAL AFRICAN

.....	70
Falern Eib. 50c.....	95
Rhod'n Corp. 157 p.....	10

1945	130	Ream (Cms) K1	186	.....	53/16.0	4.7
1778	140	Tan (Cms) K1a	174	.....	Q10 0	.....
66	65	Do. Fr. 3B.1	60	.....	100/3.5	1.9
58	25	Do. Fr. 3B.1	32	-1	100/3.5	1.9
46	24	Zam Cpr. 3B.0.24	25	-1	100/3.5	1.9

33	18	Acme 25c	26	.....	407c	0
300	132	A. M. 8 and S 50c	28	-2	Q10c	0
165	96	Bourgainville 50c	139	.....	.....	.....

SH South St	210	+2
G.M. Kalgoorlie St	30
Hampton Ares Sp	88m	+1

86	38	Metals Ex. 50c	66	-2		
20	13	Actranger-20c	15			
294	206	ILL.M. Hdgs. 50c	246	-2	3Q10c	1.8
186	70	Manuel 1.50	3			
2	2	Neometal 10c	3			
202	138	North B. HILL 5c	185	+1	Q9c	1.4
9	5	N.H. Kellogg	6			
108	65	Oakbridge S&L	102		1Q8c	1.3
36	14	Pacific Copper 35c	35			
1319	725	Pinecroft 1.25c	1319	+4		
17	9	Parling M&E 5p	76			
			76		Q15c	

Perseidon 20c	295
Sultan Afia. 50c	10

9	4	Westmed 100c	7	-----	-----	-----	-----
195	127	Wines, Minn: 50c	176	-----	-2	308.9c	0.8
75	36	Whinn Creek 30c	65	-----	-----	-----	-----

TINS							
45	28	Amul, Nigeria	39	-----	5.62	1.6	-----
298	160	Ayer Hitam	275	-----	23.8	0	-----
50c	17	Beralit 10c	27	++	1.75	0	-----
50c	31.5	Benjamin 50c	380	-----	68.5c	0	-----
165	15	Lands 10c	23	-----	1.0	2	-----
75	145	Esamir	235	-----	21.2	2	-----

Gold & Base 12 ¹ / ₂ sp.	8
Opening Costs	240
Long term	75

70	56	Idris 10p	65	7.35	1.9
72	6	Jantar 25p	7	—	—
42	31	Kommunit. 10p	38	37.0	1.2
250	735	Nellachall	250	680.0	1.2
228	168	Malay Dredging	308	10.7	2.0
38	20	Aphang	27#	37.26	6
40	40	Pendaklan 10p	45	+1	37.0
130	104	125	125	1.25	2.5
46	19	Saind Pura	48	1.25	2.5
100	64	South Klang 10p	60	39.5	1.5
173	105	Sinh. Malayan	173	10.7	0.9

...ncei Best 20p...	37
...ncei Way 54p...	38	...
...ncei 15p...	45	ad

52	40	Trompsburg Rtr. SW	44	.....	52.23	0.6
110	58	Trompsburg	97rd	.....	14.29	2.0
COPPER						
85	42	Botswana RST R2	46	-1	—	—
335	170	Messina Rd 50	145	+5	1035c	1.9
MISCELLANEOUS						
10	8	Barnes Nines 170p	81z	.....	0.1	0

Barberisland Sp.	29 1/2	-1
Com. March Inc.	750	-1
Aurasia	30	-2
	330	

935	245	Norfolk Co. SI	310	-10		
239	178	RI T2	202	+5	5.42	2.1
112	63	Sabine Inds. CI	96			
115	610	Tenn Exptn. SI	514 ⁷¹	-1 ¹		
45	32	Tehid, Mineral. pp	45		h1.08	4
145	84	Yukon Cons. CI	126	-1		

NOTES

where indicated, prices and net commissions are 21p. Estimates are based on latest annual re-

and, where possible, are reported on non-yearly figures; they are adjusted to ACT of 35 per cent. P/E's are calculated on the book value distribution; bracketed figures indicate 10 per cent or more difference if calculated on "all" distribution. Covers are based on "maximum" distribution. Yields, assuming unitary-normal net dividends on current rate of ACT, are based on midlife price are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

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it.

1 Rights and Liens indicated that have been adjusted to all
 2 shareholders. Indicate the following:
 3 * Interim since increased or resumed.
 4 * Interim since reduced, passed or deferred.
 5 * Decline to increase or decrease.
 6 * Figures or report awaited.
 7 * Unlisted security.
 8 * Brief state of suspension.
 9 * Indicated dividend after pending scrip and/or rights issue
 0 cover relate to previous dividend or forecast.
 1 * Dividend suspended.
 2 * Stopper bid or reorganization in progress.
 3 * Not comparable.
 4 * Shareholders' reduced final and/or reduced earnings
 5 indicated.
 6 * Based on 1970 profits.
 7 * Indicated conversion of shares not now raising
 8 dividends or ranking only for restricted dividend.
 9 * Cover does not allow for shares which may also exist
 0 on a non-voting basis or which are usually preferred.
 1 Excluding a final dividend declaration.

• Figures based on prospectus

estimates. c *Costs*. d *Dividend rate paid or payable on per cent of capital; cover based on dividend on full capitalization*. e *Redemption yield*. f *Flat yield*. g *Assumed dividend yield*. h *Assumed dividend and yield after scrip issue*. i *Payment from capital sources*. k *Kenya*. m *Interim higher than previous total*. n *Rights issue pending*. o *Earnings based on preliminary figures*. p *Australian currency*. q *Dividend and yield exclude a special payment*. r *Indicated dividend cover relates to previous dividend*. P/E ratio based on latest available figures.

ing. v Forecast dividend:
r's earnings. v Tax free up
s; for currency clause. v Df

based on merger terms. **Z** Dividend and yield include special payment. Cover does not apply to special payment. **A** Net dividend and yield. **B** Preference dividend passed deferred. **C** Canadian. **E** Issue price. **G** Assumed dividend and yield after pending scrip and/or rights issue. **H** Dividend and yield based on prospectus or other official estimates for 1976-77. **K** Figures based on prospectus or other official estimates for 1976-77. **M** Figures based on prospectus or other official estimates for 1978. **N** Dividend and yield based on prospectus or other official estimates for 1978-79.

ed on prospectus or other offer-
ing. T Figures assumed.
Tax payable Z Dividend income

Abbreviations: **d** ex dividend; **w** ex scrip issue; **w** ex right
ss ex all; **st** ex capital distribution.

"Recent Issues" and "Rights" Page 1

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FINANCIAL TIMES

Friday August 6 1976

BELL'S
SCOTCH WHISKY
"Before you go"

Afrikaners urge reforms as Soweto blacks march again

BY STEWART DALSY

AS MORE demonstrations broke out today in the black townships around Johannesburg, in which (according to unconfirmed reports) one black was killed, there were urgent calls from many quarters in South Africa for reforms to resolve the situation.

In Soweto, South Africa's largest black township, police used automatic rifles and tear gas to break up a march of some 5,000 blacks this afternoon after a brief period of calm following yesterday's massive protests against the continued detention of student leaders.

According to eye-witnesses, many shots were fired and at least one person was killed by police bullets. Police claimed that the man in question was a black "robber" whom they shot at when he tried to escape. He dropped to the ground, they said, but was not

hit by police bullets. He was then arrested.

However, Col. J. J. Gerber, divisional inspector of police in Soweto, confirmed this morning that three people had been killed in yesterday's clashes. Yesterday, General Ger. Prinsloo, Commissioner of Police for the East Rand, rejected claims that people had been killed in the disturbances.

Dispersed

To-day there were also disturbances in Tembisa, the black township to the north-east of Johannesburg, where 1,000 school children were dispersed by police after a bottle store and beer hall had been stoned.

In Kaitshong, another township on the East Rand (the area around Johannesburg), delivery vans were attacked by youngsters. At the University of the

Western Cape in Cape Town (a coloured university), a R50,000 building for housing staff of the Faculty of Commerce and Law was destroyed by fire when petrol bombs were hurled through the window.

But a boycott of work by blacks, which seemed so effective yesterday, when one local newspaper estimated that 80 per cent of blacks failed to turn up for work, failed to-day.

Although to-day's demonstration in Soweto appeared to be a spontaneous eruption arising from the ugly mood of many young people following yesterday's clashes, it has become clear that the disturbances are now much better organised than they were last June, when 176 people were killed and over 1,000 were wounded.

This afternoon, a senior member of the ruling Nationalist Party said that "there is a growing feeling among almost every body that something has to be

done now. Police action is simply not enough."

In an editorial to-day, the leading and usually pro-Government Afrikaans Johannesburg daily newspaper said: "Police action alone will not cure the situation. Political action on a number of fronts is now urgently necessary."

In a speech at the University of Pretoria last night, Mr. Louis Nel, Right-wing National Party MP for Pretoria Central, called for home ownership in black areas (blacks currently have no property rights).

He said travel facilities should be improved, sufficient shopping centres provided, and drastic urban renewal projects launched.

This sudden change of heart by a leading Nationalist MP has led observers to speculate that the Government is on the point of making some dramatic concessions and has used Mr. Nel to prepare the ground.

Willis Faber to go public

BY MARGARET REID

WILLIS FABER and Dumas (Holdings), one of Britain's "big four" insurance brokers, with a 22 per cent stake in the merchant bank Morgan Grenfell, plans a public flotation of its shares in the next few months. Given conditions like to-day's, it is expected that the company would make its stock market debut with a value of about £70m.

This would make Willis Faber larger than the three big concerns—Munro Life, Molins and Thomas Borthwick—whose flotations recently tested the new issue market after a three-year gap. Offers of shares in the last two of these three were not fully subscribed.

Mr. David Palmer, deputy chairman of Willis Faber, said last night that the subdued reception of recent new flotations was "not specially relevant to our business. We have faith in the market to receive our shares." The offer is expected by the end of this year or early next.

Substantial

Willis Faber, whose premium income from its U.K. broking subsidiaries was £430m. in 1975, made a pre-tax profit that year of £10.1m., against £7.7m. in 1974, and net earnings of £5.5m., compared with £3.6m. The group operates a substantial underwriting agency at Lloyd's and underwrites a number of U.K. and overseas insurance companies. It has major associated broking companies overseas.

Some 40 per cent of the group's shares are held by institutional investors, including life insurance companies, pension funds and investment trusts. No institution is believed to hold more than 5 per cent of the shares. The rest of the capital is owned by present and past directors, their trusts and families, none with more than about 3 per cent.

Mr. Palmer said that as the group, now a public, though unquoted, company, was pretty big, it was a logical move to bring its shares to the market. "We would hope all our shareholders will see this as a sensible and welcome step."

For the life insurance companies which are shareholders, flotation of Willis Faber will have the advantage that it will tend to put a higher valuation on their stake than attaches to their present unquoted holdings. There has been no pressure from these investors for a hastening of the group's flotation for this reason.

Additional

It has not yet been decided whether additional shares will be issued at the time of the flotation to raise new money for a group, which earlier this year bought for £13.1m. Amalgamated House, formerly owned by the collapsed Amalgamated Property and Investment.

Asked about the group's future investment or expansion plans, Mr. Palmer said: "We have no very positive acquisition policy as such. We are opportunistic if situations present themselves. Access to the capital market would improve our ability to act in this way."

As to whether Willis Faber might in due course raise its stake in Morgan Grenfell, which was stepped up last year from 14 per cent to 22 per cent, he replied: "There is no suggestion of that at the moment. But we would certainly look at it if we were invited to do so."

Morgan Grenfell will handle the planned flotation with Cazenove and Rowe and Pittman Hurst-Brown acting as brokers.

Mr. Robert Dunlop, another Lonrho director, said last night that he had not been present during Mr. Rowland's telephone conversation with Mrs. Sedgemoor, but had talked about it with him the next morning.

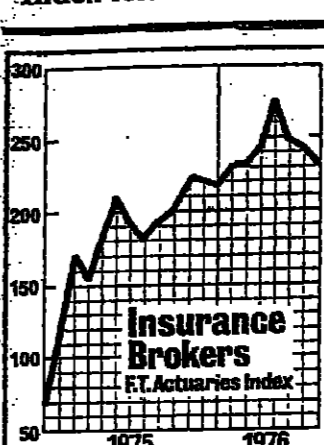
"Mr. Rowland did not threaten and did not say 'do or get' but said he felt there had been an abuse of privilege and would test that abuse of privilege."

Mr. Rowland had said to Mrs. Sedgemoor that if there was an abuse of privilege then he would go for her husband in the courts.

THE LEX COLUMN

Willis Faber in the wings

Index fell 2.2 to 371.0



Willis Faber, which is planning to seek a Stock Exchange listing "in the next few months," is one of the U.K.'s four biggest insurance brokers in terms of pre-tax profits and brokerage, and will represent a major addition to a sector which is currently capitalised at just over £400m. It is closest to Sedgemoor Forbes in terms of its international spread and profits mix, and on that basis— an historic p/e of around 16—its market capitalisation could be in the order of £70m.

The listing could take the form of an introduction—since over 40 per cent of its equity is already held by institutions, none with more than 5 per cent—or an offer for sale, although there is no pressing need for new cash. The latest balance sheet is comfortably liquid, the purchase of Amalgamated House for £13.1m. has been funded by a medium term loan, and there are no immediate plans to increase the 22 per cent equity interest in Morgan Grenfell.

Of course the timing looks odd, even though a public listing at some stage seems to represent a logical move for the company. But Willis is not committed to any particular timetable, and unlike some of the recent new issues it is a company which the institutions know and like. The insurance broking sector has outperformed the market more or less consistently since 1969, and within it Willis already has a premium status.

Thus unlike Bowring or Howden, it is very much a "pure" broking business with probably not much more than a tenth of its profits arising from underwriting. It has a wide international spread, plus close links with one of the largest U.S. brokers, and 70 per cent of the premium income handled in London arises overseas. And if it does decide to offer shares to the market it would presumably be in a position to make some tempting promises about dividends.

Dixons

Dixons Photographic's 27 per cent. growth in pre-tax profits to £5.2m. has comfortably beaten the £4.75m. forecast made during the bid for Westons last winter. At the attributable level the performance is even better with an 85 per cent rise thanks mainly to a drop in the tax charge from 53 per cent to 42 per cent, and a £0.6m. currency

gain on net assets of overseas subsidiaries.

With the U.K. side showing a £1.1m. drop in profits, all of the growth arose overseas which now accounts for 57 per cent of total earnings and 45 per cent of turnover. Currency benefits obviously played a big part but the Swiss, Dutch and U.S. operations all showed good growth. Profits from the U.K. retail side were down by a third but this was after a £250,000 write-off on the proposed head office site.

Despite a 15 per cent increase in selling area, sales suffered from the low level of U.K. consumer spending. This year selling space will rise by another 15 per cent, and the outlook looks considerably rosier following the recent cut in VAT from 25 per cent to 12 per cent.

The Weston interests made £1m. pre-tax on a turnover of £56.9m. But special provisions for the terminal losses at Barclays Five Chemical produced overall losses of £988,000. On the surface this acquisition looks an expensive buy since Dixons's notional financing costs are around £700,000. But the Dixon management are confident that Weston will soon come right, and judging by the 4p rise in the Dixon share price to 70p last night and a market capitalisation of £25.7m. the stock market appears to share this confidence.

Drake & Cubitt

After more than four months in limbo shareholders in Drake and Cubitt are now presented with a solution to the group's cash problems. The sale of the civil engineering operations to Tarmac—news of which led to the share price suspension back

in March—is to go ahead. The Government is to make immediate cash injection £0.7m. with an add-on of £1.75m. to be taken up if, when needed, Drake is extricating itself, at no cost, from its Belgian operations. As a result net borrowings of £6.9m. at October stand to fall to £1.2m., share dealings could comfortably restart next month.

As with the French rescue, the DoE has intervened to protect public works contracts which in this case worth some £50m. Tarmac is taking on the business, its acquisition of Holland 1 men is conditional on the consent of "certain claims" for this reason the Government is keeping Drake alive—getting a possible 38 per cent equity stake in return if D takes up the whole of the offer. This is being arranged through an issue of convertibles and since the convertible is also being issued as part of the Belgian deal, existing shareholders could eventually have their interests diluted to 54 per cent of the equity. Meantime, the £ of Drake is still losing money at the net attributable level, current orders of £77m. with a pro forma capital of around £4m.

Pilkington/UKO

The case for the defence Pilkington's offer for Optical rests primarily on are bound to be rather subjective arguments about technical and commercial. Admittedly the defence does devote a lot of space to the question of price and forecasts a 24 per cent profit rise in the year to March together with what now become the automatic dividend hike. But the forecasts no great surprise, and made on a prospective p/e of 11.2 and a yield of 8.9 per cent hardly too unreasonable when it represents a price of more than 50 per cent, or price ahead of the news.

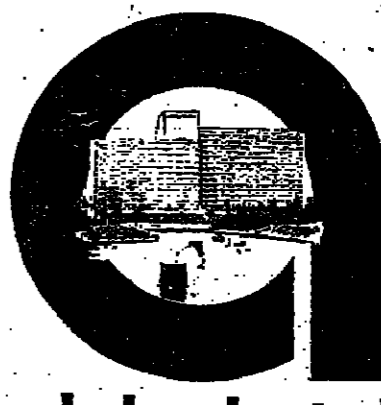
However over 20 per cent of the equity is lined up at the offer, and UKO is evidently prepared to adopt the tactics that Pilkington is anxious to avoid. Its stand a tenth below the price, and the next move must come from the Pilkington side. Since the closing date is next week views need to be published fairly swiftly.

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Du Cann calls for funds check on Enterprise Board

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. EDWARD DU CANN will demand from Treasury Ministers to-day that the Commons Public Accounts Committee, of which he is chairman, be given the right to scrutinise the use of all public funds payable by the Treasury to the National Enterprise Board.

His letter to Mr. Joel Barnett, the Treasury Chief Secretary, is part of his campaign to extend Parliamentary control over Government activity stemming from recent legislation.

Mr. du Cann has met Mr. Eric Varley, Industry Secretary, already to protest about the inadequacy of information given to Parliament following the provision this week of £30m. to British Leyland, the latest instalment of a £100m. tranche.

In the next session of Parliament he will insist that under the Devolution Bill the Public Accounts Committee is given the right to scrutinise the block grants to be provided by the Treasury for the proposed assemblies in Edinburgh and Cardiff.

Introducing yesterday the committee's fifth report for the present session, Mr. du Cann said

his committee would concentrate next session on investigating the efficacy of cash limits on public spending.

They will also examine the administration of supplementary benefits to coincide with an internal inquiry within the Department of Health and Social Security under Mr. Stan Orme, Social Security Minister.

Another possible focus for the committee will be housing finance, now under review in the Department of the Environment. Mr. Peter Shore, the Environment Secretary, is expected to present its findings to the Commons in December.

From its examination of officials of the Board of Customs and Excise, the committee discovered that it was failing to collect about 1½ per cent of VAT payable by traders. This amounted to about £30m. a year. But the Board has written it off as it would require an additional expenditure of £25m. a year for collection.

The committee criticised the Customs for exceeding its original estimate that 8,200 extra staff would be required to administer VAT. The number

had risen to 11,680 by April 1 this year.

It costs about 2 per cent of the tax collected to administer VAT. This is higher than the cost of collecting its other sources of revenue. The committee yesterday asked the Customs to examine the costs of VAT collection in comparable nations within the EEC.

It also expressed concern that the Board of Inland Revenue staff is planned to increase from 81,594 on April 1 this year to about 90,000 by the end of next March.

The committee has asked the Treasury to include the estimated increase in manpower required to administer any new taxes introduced from legislation presented to Parliament.

Mr. du Cann also announced yesterday a significant new departure in the committee's practice. In future it is to publish notes from permanent secretaries of a Whitehall Department indicating that a proposed expenditure by his Minister was beyond the limits allowed by statute. This information has been confidential.

Report details, Page 7

Crane-maker's shareholders vote takeover men off Board

BY KEITH LEWIS

MR. A. T. SMITH and Mr. Per Regard, chairman and deputy chairman of Amalgamated Industrials, were voted yesterday off the Board of the crane-manufacturer Herbert Morris, the company they once tried to take over.

In a poll at the company's annual meeting at Loughborough, Leics., shareholders cast 1.7m. share votes for the resolution not to re-elect the men and 1.29m. share votes against.

The result of the vote is a triumph for the Herbert Morris Board. Having fought off the takeover bid by Amalgamated Industrials, it has also removed that company's two representatives. Neither was present at the meeting.

The problem of Amalgamated's 35 per cent shareholding in Morris remains. Amalgamated, which has taken the advice of counsel, has so far not reduced its holding as recommended in a report from the Monopolies Commission last May. The proposed takeover was judged "against the public interest."

On the eve of yesterday's meeting Amalgamated Industrials issued a statement agreeing to sell its entire holding provided Board representation was retained until the disposal was completed, and that it retained the right to sell the holding to a single shareholder. It is understood the unofficial limit on the disposal has been set at two to three years' maximum.

The Office of Fair Trading, which advises Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, must now meet the relevant parties to see whether Amalgamated's undertaking still exists after the removal of Mr. Smith and Mr. Regard from the Morris Board.

The Office, set the task of supervising the divestment, is unlikely to approve of the 35 per cent stake passing into the hands of one holder. First, it would automatically require a new bid under the rules of the

City takeover code; secondly, depending on the purchaser, it might start off a fresh reference to the Monopolies Commission.

The chairman of Morris told shareholders that the Amalgamated proposals were a formula for retaining the company. Mr. Ray Ryan, works convenor, said after the meeting that he had hoped the directive by the Monopolies Commission would have been enforced by the Amalgamated was represented at the annual meeting by its financial advisers, Seton Trust, which cast the Amalgamated votes against the resolutions. As a gesture of no confidence, Seton also voted against adoption of the annual accounts.

Mr. Keith Cunningham, of Seton Trust, said Amalgamated would seek the Office of Fair Trading to-day or Monday. Asked if approaches had been made for the Morris holding, he said no firm offer had been made, but confirmed that there had been soundings.

The parent company and its potential inability to clear the outstanding commitments of the operations being sold to Tarmac were jeopardising the transaction and the future of the remaining group companies was also in doubt.

The financial difficulties encountered by the group were revealed yesterday for the first time in the long-awaited figures for the year ending last October, which showed a trading loss of £4.3m. Of this, £3.4m. was attributable to its road contracts at Twickenham. In the previous year, there was a trading profit of £996,000.

Drake and Cubitt also released figures for the first six months of the current year, in which it recorded a pre-tax profit of £17,000 against a loss last time from those companies remaining in the group of £186,000. The total of the comparative period of last year, including the operations now being sold off, was £233,000.

As part of the overall restructuring plan for the group, which involves a change of name to Drake and Scull Holdings and a decision to concentrate exclusively on mechanical, electrical and general engineering work, the group is eliminating a £4.6m. loan from the Banque Bruxelles Lambert, which was used to buy a stake in a Belgium manufacturing company.

£700,000 State stake in Drake

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE GOVERNMENT is to inject £700,000 into Drake and Cubitt Holdings, the electrical, mechanical and construction engineering group, in return for an immediate 15 per cent stake in the business.

Under the terms of an agreement announced yesterday, the Department of the Environment could also provide a further £1.7m. in aid and push its stake in the company up to just under 35 per cent.

The group has been incurring very heavy losses on fixed price civil engineering contracts in recent years and its financial position has deteriorated.

With about 200 public sector contracts worth £50m. under way, as well as heavy overseas commitments, Drake and Cubitt was considered by the Department to be worth assisting "in the national interest."

The deal, which may have saved the company from complete collapse, was largely triggered off by the impending sale of the group's civil engineering subsidiary, Holland, Bannea and

Continued from Page 1

Lonrho row in Commons

phone call as a breach of Parliamentary privilege unless there were signs that the threats were actually going to be carried out.

Mr. Rowland said in a prepared statement: "I have just got back from Pakistan and am far too busy to read any more about this matter. It is absolute rubbish and utter bilge."

Mr. Robert Dunlop, another Lonrho director, said last night that he had not been present during Mr. Rowland's telephone conversation with Mrs. Sedgemoor, but had talked about it with him the next morning.

"Mr. Rowland did not threaten and did not say 'do or get' but said he felt there had been an abuse of privilege and would test that abuse of privilege."

Mr. Rowland had said to Mrs. Sedgemoor that if there was an abuse of privilege then he would go for her husband in the courts.

Checks after gas scare

Continued from Page 1

cision to set up a committee of inquiry comes in the wake of reports in the Communist newspaper L'Unité that North Vietnamese sources as saying that infant mortality had increased from 30 per 1,000 to 47 per 1,000 live births in Hue as a result of poisoning by the drug from defoliants used by the Americans during the Vietnam war.

Professor Ton That Tung of Hanoi University was also quoted as saying that exposure to the chemical could lead to sterility and miscarriages.

Already in Italy a special regional health committee has warned some 4,000 people possibly contaminated by the gas to abstain from procreation for at least six months because of the danger of unborn children.

Sig. Giulio Andreotti, Italian Prime Minister-designate, said yesterday that the owners of the plant, the Swiss company Givaudan, a subsidiary of Hoffmann-La Roche, would have to assume all the costs connected with the accident.

The overall cost in terms of human suffering and material damage however, is likely to take a considerable time to emerge. The virtual indestructibility and long-term accumulation effects of TCDD, the most virulent component of the gas cloud which escaped three weeks ago, pose problems not only for treatment of over 2,000 people in the most affected zones but also for the rehabilitation of the farmland, houses and factories in the area.

Unless a satisfactory means of decontamination is found, and several foreign companies, including the British consultancy company Cremer Warner, are advising on this, alternative accommodation will be required on a semi-permanent basis for the evacuated population who will also have to be found alternative employment in many cases, and sustained at public expense in the meantime.